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MANUAL  
FOR PATRONS AND MEMBERS OF  
FRIENDLY SOCIETIES.



THE HISTORY,  
PRESENT POSITION, AND SOCIAL IMPORTANCE  
OF  
FRIENDLY SOCIETIES:

INCLUDING  
ODDFELLOWSHIP, AND OTHER AFFILIATED PROVIDENT  
INSTITUTIONS OF THE WORKING CLASSES;  
COMPRISING THE  
Gradual Development of the Science termed "Vital Statistics,"  
A POPULAR EXPOSITION OF THE FINANCIAL LAWS NECESSARY TO INSURE  
FUTURE STABILITY, AND THE METHOD OF ASCERTAINING THE  
TRUE VALUE OF THE ASSETS AND LIABILITIES;  
A Refutation of Several Popular Objections;  
SUGGESTIONS FOR THE EQUITABLE ADJUSTMENT OF PAST ERROR,  
AND FOR FUTURE DEVELOPMENT AND EXPANSION.

By CHARLES HARDWICK,

*Past Grand Master of the Manchester Unity of Independent Oddfellows, Author of the  
"History of Preston and its Environs," "Lecture on Friendly Societies," &c.*

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*Let. Ed.*

*Oct. 15. 1862*

*My dear Sir*

*Yours faithfully*

*W. E. Gladstone*

TO

EDWARD HEYS,

OF MANCHESTER,

MY "FATHER IN ODDFELLOWSHIP,"

THIS WORK IS MOST RESPECTFULLY

INSCRIBED,

BY HIS

OLD FRIEND AND FELLOW-LABOURER,

CHARLES HARDWICK.



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## PREFACE.



THE best introduction to this work will probably be a brief account of the antecedents of its author. In 1849 I was elected to the office of Deputy Grand Master of the Preston district branch of the Independent Order of Odd Fellows, Manchester Unity. My attention had been some years previously drawn to the want of statistical information among the members. I then (1849) compiled the first report of the "District Sick Union" Committee. Its object was to demonstrate, from the then two years' experience of that body, that average results with regard to sickness could not be attained, unless the joint risk and observation extended over larger numbers, or over a wider basis, than that presented by ordinary lodges, courts, or sick clubs; and that, from error in this direction, many Friendly Societies had been swamped, while others, apparently similarly situated, continued to flourish. Mr. Neison did me the honour to reprint, *in extenso*, this report in the

second edition of his "Contributions to Vital Statistics." Several other reports compiled by me were subsequently issued by the committee referred to.

In the following year (1850), being the then Grand Master of the District, I issued a special report on the financial condition of its twenty-five lodges. This was printed by the district committee, and extensively circulated throughout the Unity with the consent of the Grand Master and the Board of Directors.

In 1851, I prepared my first lecture on "Friendly Societies: their History, Progress, Prospects, and Utility." This lecture I delivered in Preston, London, Manchester, Bolton, and other towns. It was afterwards published, with some additional documentary matter. For the "Equitable Provident Institution" I prepared, in 1852, a condensation of this lecture to meet the then postal requirements. This publication, which went through five editions, met with the expressed approval of Mr. Neison, and generally of the leading members of the Manchester Unity, and was strongly recommended in a special article in "Chambers's Edinburgh Journal."

Thus encouraged, I increased my efforts for the diffusion of sound information on this important social question. In 1852 I wrote a series of eight papers on the History and Financial Position of Friendly Societies

in Great Britain, expressly for the "Golden Rule," an American Journal, published in New York.

In 1854 there appeared a *series* of twenty letters, addressed by me to the "Empire" London newspaper, in which I further endeavoured to popularise the laws of finance as developed by the statistics compiled from the past experience of these societies.

Occasional articles have also been contributed by me, on this subject, to "Eliza Cook's Journal," the "Odd Fellows' Magazine," the "Transactions of the National Association for the Promotion of Social Science," and other periodical publications. I have likewise delivered many extemporary lectures and addresses on the same topic in some of the principal towns in the kingdom.

For eight years I was successively re-elected one of the Board of Directors (or the Executive Government and Appeal Committee) of the Manchester Unity. In 1856 I was elected Deputy Grand Master, and in 1857 Grand Master, of this extensive and important society.

During nearly the whole of these labours I have steadily contemplated the eventual publication of the present volume. After ten years' active literary exertion, and eighteen years of practical experience, I now respectfully submit the result of my observations and reflections to the patrons and members of these societies as well as to the general public, in the full belief that

my earnest efforts to place in a true and popular light both their history and financial position, and thus to clear away some of the difficulties which have hitherto obstructed the path of intelligent working men in this direction, will not prove altogether useless; but that the spirit of investigation now aroused may continue to grapple with the question, till these valuable institutions shall in their principles of management become purged of all financial error, and their capabilities for the common good consequently more completely and effectually developed.

CHARLES HARDWICK.

*October, 1859.*

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# FRIENDLY SOCIETIES.



## CHAPTER I.

### INTRODUCTORY.

DURING the past half-century many novel organizations of a most important character have been gradually extending themselves among the working classes throughout Great Britain, her colonies, and the United States of America. The singularity of some of their names, the secrecy, the mummary, and the mystery which attended their proceedings, proved peculiarly attractive to the great body of the operative population, while it at the same time excited the distrust, the suspicion, and sometimes the ridicule of the wealthier and better-educated portions of society. The original objects proposed to be attained in these societies were doubtless merely conviviality and good-fellowship. Social intercourse, however, almost invariably enlarges the human sympathies. The men who met together simply to crack jokes or sing songs over their pipes and beer began gradually to feel some interest in the happiness and prosperity of each other. If one of their number suffered affliction, the

charitable impulses of his more fortunate brethren were stimulated by the discussion that naturally grew out of a knowledge of the case; and not merely sympathy, but substantial pecuniary assistance was afforded. By progressive steps, from such humble beginnings some of the most extensive of the Friendly Societies (or Mutual Assurance Companies of the people, as they may not inaptly be termed) have expanded to their present magnitude and social importance. Their rapid and prodigious growth, and the unquestionable advantages resulting to society generally from their operation, have latterly attracted the favourable attention of the middle and upper classes. At the present time, in many parts of Great Britain, several of these institutions include among their honorary, and even ordinary, members, philanthropic individuals belonging to almost every grade of society, and holding every shade of opinion with reference to social, political, or religious matters.

That results exercising the most important and beneficial influence upon the temper, condition, and general character of the industrial classes have attended the operations of these self-created and self-sustaining provident institutions, is at the present day evident and undeniable. Yet, although their objects are now cheerfully acknowledged to be worthy the cordial countenance and support of all classes, considerable diversity of opinion has been expressed as to the probability of the present machinery ultimately proving adequate to the fulfilment of all the engagements into which the members have mutually entered. Men

eminently calculated, from their professional acquirements, to arrive at considerable knowledge of the subject, have ventured to prophesy their ultimate decay unless immediate steps be taken to materially improve their financial constitutions. If, on the one hand, many false and exaggerated statements have been put forth to their disparagement, the members of these valuable societies ought, on the other, never to forget that the financial schemes originally introduced for the purpose of effecting their praiseworthy objects were necessarily, to a great extent, of a hap-hazard or merely fortuitous character. These institutions are not the offspring of elaborate scientific inference, of the wisdom, or patriotism, or philanthropy of the wealthy, the intelligent, or the great. They are a spontaneous development of that germ of all social union,—man's innate sense of the insufficiency of isolated individual effort to secure happiness and prosperity. Benevolent and charitable feeling in the outset solely dictated the rates of payment and benefits, for the best and most conclusive of all human reasons,—that little or no scientific knowledge, based upon experiment, was then available for such purpose. Learned actuaries should, however, never forget that much of the "scientific formula" propagated by "authority" for many years past has proved miserably deceptive, and instead of correcting, has but served to augment the evil.

However, from the past operations of these societies, and the data derived from their actual practice, the true pioneers in this hitherto imperfectly-known

region of practical knowledge have gathered many interesting and important facts. These facts, and these facts alone, form the true foundation-stones of the new science, called, for the want of a better name, "Vital Statistics."

The application of the tests furnished by this science has developed the unwelcome, nay, alarming truth, that large numbers of these institutions contain within themselves the seeds of their own destruction; that is, unless efficient remedies be promptly applied. Like the dread scourge, pulmonary consumption, the germ of disease may be striking its roots firmly into the most vital part of the constitution, while outwardly all is fair and healthy. The parallel may truly be still further pursued. The disease is a flattering one; the degree of intensity exhibited by the symptoms of decay or dissolution presenting most remarkable fluctuations. From these circumstances the best and most intelligent of the members have often been lulled into a false and most fatal confidence in the soundness of their financial position; for, when the ravage once becomes apparent on the surface, the application of an adequate remedy is surrounded by difficulties almost, if not entirely, insurmountable. Thus, several seemingly wealthy and flourishing institutions of this class have, in the course of a few years, gradually sickened in finance, and eventually collapsed, to the amazement of many otherwise well-informed members. Others, less educated in statistical matters, regard with suspicion the conduct of those in whose judgment they had reposed implicit



confidence, and either attribute failure to gross dereliction of personal duty in the management, or indignantly repudiate the whole principle of life and health assurance as a fallacy and a snare !

It has been objected by many well-meaning members, that some of these societies are "Benevolent Institutions," and not "Insurance Companies," and that, therefore, the financial laws necessary to the proper management of the latter are not applicable to them ; that their duty is confined to the relieving of distress in their own day, and that they very properly leave to future generations the task of providing for future requirements. It is, however, the very height of folly to deceive ourselves by a mere *finesse* in the use of words ! By whatever name we may choose to designate them, the simple fact is undeniable, that, in addition to their philanthropic or purely charitable objects, these societies hold out to candidates for initiation the assurance of certain sums of money, to be paid at the deaths of members and their wives, together with a weekly stipend during incapacity for labour through sickness ; and these engagements are entered into in consideration of a stipulated periodical payment. If this does not constitute an insurance society, it becomes a somewhat difficult task to discover what does. Call it charity or benevolence if you will ; yet, the natural laws which influence the average amount of sickness and the rate of mortality experienced by the members still demand *unconditional* recognition in the framing of the financial laws destined to the accomplishment of the objects proposed, or the penalties

of failure and disappointed hopes *must and will* attend any attempt to evade them.

It unfortunately happens, that the great bulk of the working classes are not in possession of sufficient arithmetical knowledge to properly investigate this subject for themselves; yet it is a question of the most vital importance to their future interests, and to the welfare of their fellow-men. Most of these institutions are self-governed; it is, therefore, by the voices of their members alone that those improvements can be practically carried out which are absolutely necessary to save an immense number of now existing societies from ultimate ruin. There can be no doubt that the majority of the members would cheerfully take the necessary steps to place their respective institutions in a healthy financial position, if they clearly comprehended the nature of the facts and arguments which demonstrate the necessity for immediate reformation. But logarithms, decimal fractions, or algebraic processes, present at the very outset their mysterious fronts to the earnest but humbly-educated inquirer after truth, and drive him back discomfited, and sometimes disgusted, from the apparently incomprehensible labyrinth of signs and figures, with an almost indelible impression on his mind that the science of Vital Statistics will for ever be a "sealed book" to him. He therefore rests content with the simple knowledge he has acquired by his own very limited experience, and dogmatically retains his previous opinion, "that, as they have hitherto contrived in his society to meet all just demands, there



*can exist no reason why they should not continue to do so in future !”*

It is, however, but too true, that simple rectitude of purpose is not always sufficient for the achievement of any desired good. The virtuous and the worthy have, equally with the mean and the selfish, to struggle with the impediments which the immutable laws that govern both the moral and the physical world sometimes oppose to their operations. An individual, moved by the highest impulses of human love, might nobly, though rashly, plunge into the ocean wave, with the view of rescuing a fellow-being from the jaws of death. But all the virtue and amiability of his nature would not afford to him the slightest particle of that most essential qualification for the practical success of his benevolent effort, namely, the skill and power to swim ! Our most cherished virtues may sometimes degenerate into the most lamentable weaknesses, if we do not take especial care that their impulses are directed by good sense and sound scientific knowledge.

In order to insure a continuance of the social blessings which these societies have hitherto conferred upon their members and society at large, it is necessary that we enlist into the service of philanthropy the perhaps unpoetical, but nevertheless powerful and indispensable, aid of facts and figures ; for integrity of purpose, though most valuable as an impetus to active exertion, must be combined with knowledge and judgment, or its most praiseworthy aspirations may terminate in delusion and

discomfiture. Benevolence and charity are unquestionably most excellent things in their way, and cannot be too much fostered and encouraged in their legitimate sphere of operations; but facts will remain facts, and natural laws will continue to govern, whether from ignorance or indifference we acknowledge their sovereignty or otherwise. I freely confess that I am deplorably ignorant of any rule in moral mathematics that can convert three times three shillings into fifteen. Yet, till some such sublime science be discovered, I fear the rates of payment and benefit in Friendly Societies, notwithstanding their philanthropic objects, as in other assurance companies, must submit to the dictation of vulgar rules in common arithmetic. Therefore, the sooner these are pretty generally understood amongst the members, the better for their own immediate interests, as well as for the ultimate prosperity of these valuable institutions.

It is the duty of every one interested, directly or indirectly, in the success of these institutions, to calmly and earnestly study and investigate the vital question of their financial stability; and with the view of assisting those who are so disposed, as well as to awaken the attention of the lethargic to the importance of the subject, the present work has been written. In the course of this investigation, the errors at present existent in their financial constitutions, and the necessity of immediate and radical reform, will be demonstrated in the most friendly spirit, but, nevertheless, without fear or compromise. My views and objects in relation to this subject are,

indeed, not *destructive*, but thoroughly *conservative*. I shall labour with equal industry and zeal in the indication and enforcement of the means best adapted for the attainment of their future prosperity and financial safety.

## CHAPTER II.

## GENERAL HISTORY OF FRIENDLY SOCIETIES.

MOST persons appear to be impressed with a notion that a lengthy pedigree confers legitimate respectability upon existing persons, families, and institutions. This feeling is by no means confined to the territorial aristocracy, among whom personal importance is regarded as more dependent on family antiquity, or "blueness of the blood," than even length of rent-roll. The wealthy *parvenu* patronizes the Herald's College, and exchanges some of his gold for a pedigree, more or less accurate or distinguished as the circumstances of the case, or the vanity and liberality of the applicant, may determine. Nay, the hard-handed wrestler with poverty and toil often delights in retailing to his plebeian compeers little scraps of traditionary lore, preserved with religious care by his forefathers, which go to prove (though often much less satisfactorily to the auditory than to the narrator), that "if his family had not been robbed of its rights in the olden time," certain very distinguished people would not now have trodden upon *quite* so high a step of the social ladder.

So, also, Odd Fellows, Foresters, Druids, and, indeed, most, if not all, of the secret fraternities, have indulged in the universal passion for a long and illustrious pedi-



gree, and have sometimes drawn pretty largely upon the fancy and imagination, with a view to the gratification of this innate propensity. Both Foresters and Odd Fellows have often grandiloquently announced themselves to the gaping wonder of the multitude as direct descendants from Adam himself! This is indeed a very pardonable assumption, for who shall dispute the claim of any man, or body of men, to a descent from the same ancient and most honourable progenitor? Adam, undoubtedly, must have been “the first Odd Fellow” and “the first Forester;” but a shrewd suspicion obtains amongst the sceptical that the oddity and the forestry of Adam have no other than a waggish, punning affinity to the “ancient and most honourable Orders” of the present day, which rejoice in similar distinctive but purely emblematical appellations.

The Foresters, not content with Adam, have included in their list of illustrious ancestors many members of the mythological or figurative class, besides such men as our “wise King Jamie,” and the still wiser Alfred the Great. Nay, the name of William the Second, the red-bearded son of the Norman conqueror of England, is coolly appropriated. In support of their claim to the “English Solomon,” they quote the old historian Osborne. “He had seen James the First, who was passionately fond of the chase, *attired in the dress of a Forester*, green as the grass he trod upon, with a feather in his cap, a bow in his hand, a sheaf of arrows at his back, and a bugle by his side, instead of a sword.” “Thus,” continue the Foresters, “British monarchs, as well as their knights

and retainers, have been proud of being decked in the insignia of our Order!" In a note, however, to the preface to their first registered general laws, where all this pride of ancestry is solemnly announced, the writer very innocently, but honestly, acknowledges the sober truth, in the following words:—"It appears from records, that our institution was founded at Knaresborough Castle, October 29th, 1745, under the title of the Royal Foresters, by which name it continued until, at a grand convention of delegates held at Rochdale, August, 1834, it was changed, and is now known and respected throughout the world as the 'Ancient Order of Foresters.'"

The intelligent members of the Manchester Unity of Odd Fellows now smile at these romantic fancies, and are satisfied with endeavouring to extend the usefulness of their institution, without arrogating for it a more ancient origin or more illustrious birth than is warranted by their own authentic records. Yet, less than twenty years ago, the directors of this society, the most extensive and influential of its class, published a document, professedly for the edification of their American brethren, which gravely asserts that the "name of Odd Fellow was first given to this Order of men in the year 79 by Titus Cæsar!"

After a very elaborate description of a costly and most elegantly-fashioned collection of emblematical regalia, presented to these "Odd Fellows" by the said illustrious general and emperor, we are seriously informed, that "it is very probable the first Odd Fellows made their appearance in North Wales at this

time," as an invasion of that portion of Britain was made by one of Titus' generals about the same period ! The compiler of the document then exhibits consummate skill in historical gymnastics. He perpetrates a kind of chronological somersault, and alights upon his feet in about the middle of the fifth century ! when the Order gets into Spain. With a slight leap, he passes to the sixth century, and Portugal is colonized. Becoming still more daring, six other centuries are crossed at a single bound, when France is duly initiated into its honours and mysteries. The narrator, oblivious of the general of Titus Cæsar and the invading army in Wales, then gravely announces that the Order was afterwards introduced into England "by John D. Neville, attended by five knights, from France, who established a grand lodge of honour in London, which Order remained until the eighteenth century, in the reign of George the Third, when a part of them formed themselves into a Union, and a portion remains unto this day."

This sounds all very grand, ancient, and aristocratic, but exceedingly unlike the working man's Friendly Society of the present day. This very document, however, furnishes within itself sufficient evidence to insure its utter condemnation. With a praiseworthy regard for truth and a simplicity somewhat marvellous, it says :—

"We are not in possession of any manuscripts in the archives of the Order that will enable us to give you a detailed account ; we have, therefore, obtained our information in a concise form" (very !) "from past officers

of the Order who were amongst the originators of it in Manchester !”\*

\* This singular document is worth preservation, as an example of the credulity of a large portion of the population of Great Britain, even in the much-vaunted nineteenth century. It reads as follows :—

“ In accordance with your wishes, we will endeavour, as far as we are acquainted, to give you a brief sketch of the origin of Oddfellowship, also that portion called the Manchester Unity. We are not in possession of any manuscripts in the archives of the Order, that will enable us to give you a detailed account ; we have, therefore, obtained our information in a concise form from past officers of the Order, who were amongst the originators of it in Manchester, and from whom we can vouch its veracity. The origin of the Order is of antique date. It was first established by the Roman soldiers in camp, after the Order of the Israelites, during the reign of Nero, the Roman emperor, in the year of grace 55, at which time they were called Fellow-citizens. The name of ‘ Odd Fellow ’ was given to this Order of men in the year 79, by Titus Cæsar, from the singularity of their notions, and from their knowing each other by night as well as by day ; and for their fidelity to him as well as to their country, he not only gave them the name of Odd Fellows, but at the same time, as a pledge of his friendship, presented them with a dispensation, engraved upon a plate of gold, having the following emblems, viz. the Royal Arch of Titus, and the Ark of the Covenant, the Golden Candlesticks, and Table weighing a great Talent ; the Sun for the Noble Grand ; the Moon and Stars for the Vice-Grand ; the Lamb for the Secretary ; the Lion for the Guardian ; the Dove for the Warden ; and the Emblems of Mortality for the Grand Master. It is very probable that the first Odd Fellows made their appearance in North Wales about that time, as an invasion was made by one of Titus Cæsar’s generals on North Wales, and shortly afterwards on the island of Mona, now called Anglesea. The first account that we have of the Order spreading itself into other countries is in the fifth century, when it was established in the Spanish dominions, under the Roman dispensation ; in the sixth century by Henry of Portugal ; in the twelfth century it was established in France ; and afterwards in England, by John D. Neville, attended by five knights from France, who established a grand



Mr. Burn, of Glasgow, in his "Historical Sketch of the Manchester Unity," though himself a zealous Odd Fellow, is exceedingly wroth at the publication of this contemptible effusion. He ridicules it, and the whole of the ceremonies of the Ancient Order of Odd Fellows, with the most merciless severity. He afterwards says:—

"As far as I have been able to ascertain, the society must have had its origin in or about the middle of the *eighteenth century*, and must have been entirely confined to London for several years. I have been able to trace it so far back as 1745. The only document wherein I have seen it named as having existed anterior to the present century, was one of Bentley's numbers for 1842, in which article the writer enumerates the different amusements of that period; the society is, therefore, classed amongst the other convivial associations of the day. However, it must have been in a state of dormancy for a considerable time, and was not resuscitated until the beginning of the nineteenth century. In the latter part of the seventeenth and beginning of the eighteenth centuries the mania of Freemasonry had spread itself all over the continent of Europe. Men of all classes had become enamoured of its tinsel and

lodge of honour in London, which Order remained until the eighteenth century, in the reign of George the Third, when a part of them formed themselves into a Union, and a portion of them remain unto this day. On this account the lodges which remain are very numerous throughout the world, and call themselves the Loyal Ancient Order of Odd Fellows, being a portion of the original body."

gilded trappings; in fact, secret societies had become quite the rage of fashionable loungers and designing demagogues. While Masonry unfurled the banner of loyalty, the Illuminati held up the red flag of anarchy; yet, notwithstanding the apparent disparity of character assumed by these two societies, they were frequently dovetailed into each other, both being supported by the same members."

In the "Memorial of the Manchester Unity of the Independent Order of Odd Fellows, for the Opinion of Counsel," as to the legal standing of the society, addressed to the law authorities in Edinburgh, in 1842, by the Grand Master and Board of Directors, the claims of the institution to the honour of antiquity are indirectly repudiated. It commences by stating that "This society was formed about the year 1812, for the purpose of mutual assistance in sickness, and funeral expenses." This is the truth. The Manchester Unity is at the present time the most extensive Friendly Society in the world; yet there are members now living who recollect the time when the lodges were little more than "free-and-easy" or convivial clubs, in and about the cotton metropolis. Collections were occasionally made for the relief of brethren in distress, but there existed no regular reserved sick or funeral fund. A kind of humble attempt to imitate the mystery and pomp of Freemasonry was adopted, for the purpose of giving them a little imaginary importance, and for exciting public curiosity.

Most, if not all, of the secret societies, whatever their

designations, are either the offspring of the old stock,—branches which have seceded and commenced operations independently of the parent institution,—or still more modern organizations, fashioned in servile imitation of the original model, and brought into existence by a spirit of rivalry. They have much the same objects; and their formulæ, though varied in detail, present similar generic characteristics. Some of them have spent large sums of money in what appears to the ordinary spectator to be trashy and unmeaning insignia and decorations; things wholly foreign to the objects of Friendly Societies, and of which even the emblematical purport is understood but by few of the members. The proceedings in the lodges were originally of a most fantastic and grotesque character. The “mummery” practised by the Ancient Order of Odd Fellows is thus described by Mr. Burn:—

“The candidate for membership, on being led into the lodge-room, was carefully blindfolded, and, after passing the out and inside guardians, he felt a peculiar and mysterious awe steal over his senses, in consequence of the solemn and death-like silence which at the time prevailed. . . . Anon, the perverted sense of hearing became fearfully awakened by the rattling of huge iron chains and the unmeaning sound of men’s voices. . . . At this stage of the inauguration (that is, provided he was not tossed and tumbled about among brushwood, or soused over head in a large tub), the bandage was removed from his eyes, and the first object that caught his visual organ was the point of a naked

sword close to his seat of love. As soon as he could draw his attention from the worthy warden and his blade, ten to one but his eyes would rest upon a large transparency of Old Mortality, whose ghastly grin would be sufficient to freeze the warm blood in his veins, while every part of the room was filled with symbols, both of holy and profane things, the meaning of which few could explain. The dresses of the officers were quite in keeping with the rest of the mummery. The making ceremony over, each member pledged the newly-initiated brother in a flowing glass, for which he had the honour of paying. Momus now presided; and the deep wrought-up fears of the novice were soon drowned in the loud laugh, the rude jest, or the boisterous chorus of a Bacchanalian song."

The Manchester Unity, some years ago, discarded the "ancient" mummery at the initiation of members, and substituted rational advice in its stead. This, as well as the lectures, has two or three times undergone revision and improvement. The "Ancient Order of Odd Fellows" has likewise dispensed with the buffoonery attendant upon the original initiation ceremony. Such practices may have been attractive at the time of their institution; but the spread of education has rendered some of them, at least, not only useless, but absurd. Doubtless, the public processions and the glittering "regalia" have proved the most cheap and effective method of advertising the societies. All classes in the community, from the sovereign to the mayor of a corporate town, know the value of a little state and ceremony; but this may be, and



is, even amongst the better-educated, sometimes carried to such an extent as to become simply ridiculous. Yet even the grotesque costumes, &c., in which the members of the "Ancient Order of Druids," the "Ancient Order of Foresters," and others, indulge, may have attractions for certain minds, and caused many to join the various Orders who might otherwise have never been induced to belong to any description of provident institution.

The almost marvellous extent to which some of these societies have spread, would appear to justify the opinion that, in this respect at least, the promoters had not failed in the accomplishment of the purpose proposed. But society, like man, individually, is progressive even in his amusements. The boy of fourteen years of age casts aside with scorn the toy that afforded him most exquisite pleasure in his infancy. So it is with mankind in general. High-sounding but unmeaning titles, mysterious mummeries, and tinsel decorations are fast ceasing to be recommendations or very useful adjuncts to Friendly Societies; they are now rapidly falling into disuse; still there is, and, for a long period yet to come, there will doubtless continue to be, a certain class to whom such exhibitions will retain their ancient attractions.

It appears then, notwithstanding the boasted antiquity, and the "pride, pomp, and circumstance" with which these now extensive and important Friendly Societies are occasionally in the habit of presenting themselves to the public eye, that their true history extends over but a very limited period; that, in fact, they are but the

humble modern offspring, by imitation or otherwise, of Freemasonry, political clubs, and convivial meetings. From the ordinary sick and funeral societies they appear to have derived that provident portion of their constitutions which has conferred upon their operations a true dignity and a lasting importance, and rendered them valuable instruments in the elevation, both morally and physically, of the great bulk of our labouring population.

The true origin of Friendly Societies, like that of many other institutions which have, in their maturity, exercised most important influences upon the political or social condition of mankind, is enveloped in considerable obscurity. The sense of the insufficiency of mere *individual* effort, forethought, or prudence, in warding off many of the afflictions to which humanity is liable in every age, civilized or barbarous, has unquestionably been the prolific parent of these combinations for mutual protection.

Theophrastus, a Greek writer, who flourished nearly three centuries before the Christian era, alludes to associations amongst the Athenians, and the citizens of other Grecian states, "having a common chest, into which a certain monthly contribution paid by each individual was deposited, that a fund might be raised for the relief of such members of the society as should in any manner have experienced adverse fortune."

The existence of some description of secret fraternities amongst the Roman legionaries, has doubtless given rise to the tradition respecting the origin of Odd Fellowship

previously referred to. Mr. Kenrick, in his recent work on “Roman Sepulchral Inscriptions,” mentions a monument discovered in Italy, from which it appears that a species of association or college, much resembling the modern burial-club, was a recognized institution amongst the Roman people. Mr. Kenrick says:—

“As I have not seen the existence of burial-clubs among the Romans noticed in any work on Roman antiquities, I will give some extracts from the monument referred to. It was found at Lanuvium, a town of ancient fame for the worship of Juno Sospita, about nineteen miles from Rome, on the Via Appia. The inhabitants of this town appear, out of flattery towards the Emperor Hadrian, in whose reign the marble was erected, to have formed themselves into a college for paying divine honours to Diana and Antinous—a singular combination, which shows at once the degraded condition of the people, and the heartless formality of the established religion, which could be prostituted to such a purpose. The privilege of forming a college, or, as we should say, a body corporate, was most sparingly conceded, and most jealously restricted under the emperors, who dreaded all secret associations as nurseries of treason. With this primary object of forming a college of the Cultores Dianæ et Antinoi, they combined that of a burial-club, not forgetting the festivities which formed so important a part of all acts of religion among the Romans. To prevent disputes, the laws of the association were inscribed on marble, and probably set up in the temple of the two deities.



“An amphora of a good wine was to be presented to the club by a new member, the sum of one hundred sesterces (about 15*s.*) to be paid as entrance-money, and five asses (little more than 2*d.*) per month as subscription. Their meetings were not to take place oftener than once a month. If any one omitted payment for months [the marble is here mutilated] no claim could be made, even though he had directed it by will. In case of the death of one who had paid his subscription regularly, three hundred sesterces (£2. 5*s.*) were allotted for his funeral expenses, out of which, however, fifty were to be set apart for distribution at the cremation of the body. The funeral was to be a walking one. If any one died more than twenty miles from Lanuvium, and his death was announced, three delegates from the college were to repair to the place where he had died, to perform his funeral, and render an account of it to the people.

“Fraud was to be punished by a fourfold fine. Twenty sesterces each were to be allowed the delegates for travelling expenses, going and returning. If the death had taken place at more than twenty miles from Lanuvium, and no notice had been sent, the person who had performed the funeral was to send a sealed certificate, attested by seven Roman citizens, on the production of which the usual sum for the expenses was to be granted. If a member of the college had left a will, only the heir named in it could claim anything. If he died intestate, the quinquennales or magistrates of the municipium, and the people generally, were to direct



how the funeral should take place. If any member of the college in the condition of a slave should die, and his body, through the unjust conduct of his master or mistress, should not be given up for burial, his funeral should be celebrated by his bust being carried in procession. No funeral of a suicide was to take place. There are many other rules tending to preserve order and promote good-fellowship, but these are all which relate to the burial-club. . . . This curious document affords an additional proof how much ancient life is found to resemble the modern, when we gain an insight into its interior through the medium of its monuments.”

Sharon Turner, in his “History of the Anglo-Saxons,” in reference to their ancient Guilds, says:—“They seem, on the whole, to have been friendly associations, made for mutual aid and contribution, to meet the pecuniary exigencies which were perpetually arising from burials, legal exactions, penal mulcts, and other payments or compensations.”

Hicks has printed several documents belonging to these Guilds, which afford some curious information respecting the manners and customs of our ancestors.\* A “gild-scipe” at Exeter recites that the association was formed “in mutual fraternity.” The society had received the sanction of the bishop and canons of the city. Its objects were not unlike those of the modern Friendly Societies, although relief during sickness does not appear to have engaged their attention. The society

\* Dissert. Epist. p. 13.

consisted, at the time the “gild-scipe” was written, of only sixteen members. It is probable, however, that others were afterwards added. Each “family or hearth” covenanted to subscribe one penny on the death of a member, male or female. This subscription was paid over to the canons, who, in consideration thereof, performed the necessary rites “for the soul’s scot” of the deceased. There was likewise a yearly subscription of one penny each at Easter. A second Exeter “gild-scipe” fixes the meetings of the fraternity at “Michaelmas, at Mary’s Mass over midwinter, and at the holydays after Easter.”

One of the most curious of these Guilds was established at Cambridge; and, unlike the modern Friendly Societies, was composed entirely of noblemen and gentlemen. These rules, in a very marked manner, exhibit some of the peculiarities and characteristic features of that but semi-civilized period. It was ordained that they should be “faithful to each of their fellow-members, as well in religious as worldly matters;” and “that they should always take part with him that has justice on his side.” What these *noblemen’s* notions of justice were, may, to some extent, be gathered from one or two other rules, which I give entire:—“If any one shall take away the life of a member, his reparatory fine shall not exceed eight pounds! but, if he obstinately refuse to make reparation, then shall he be prosecuted by, and at the expense of, the whole society; and, if any individual undertake the prosecution, then each of the rest shall bear an equal share of the expenses. If, however, a member who is

poor, kill any one, and compensation must be made, then, if the deceased was worth twelve hundred shillings, each member shall contribute half a mark (rather above a sovereign of our present coinage); but, if the deceased was a hind, each member shall contribute two oræ (rather more than ten shillings); if a Welshman, only one." Verily, these enlightened gentlemen and noblemen held human life remarkably cheap, more especially when the property of a Welshman or an ancient Briton! It is but just to them, however, to state that the Anglo-Saxon pound contained as much silver as is now coined into rather more than three times that value. The rules of this society ordained, "that when any member shall die, he shall be carried to whatever place of interment he shall have chosen," by the "whole society;" and each member not attending forfeited a sextarium of honey, which went towards the liquidation of the funeral expenses and entertainment, the funds of the society furnishing the deficiency. Another of these rules compels the officers of the society to give assistance to a neighbouring member, in case violence should be offered to him, under a penalty of one Saxon pound. The laws of these societies, like many of those of the present time, inflicted penalties for abusive conduct, when exhibited by one member towards another.

Mr. Ansell says:—"After the Norman Conquest Guilds were established for the express promotion of religion, charity, or trade; and it is from these fraternities, simple as they originally have been, that the various companies and city corporations in this kingdom

are derived." The rules of several of these institutions are preserved. A selection from those of the St. Catherine's Guild, founded at Coventry, in the reign of Edward III., may serve as a specimen of their class :—

" If a member suffer from fire, water, or robbery, or other calamity, the Guild is to lend him a sum of money without interest.

" If sick or infirm, through old age, he is to be supported by his Guild, according to his condition.

" No one notorious for felony, homicide, lechery, gaming, sorcery, or heresy is to be admitted.

" If a member falls into bad courses, he is first to be admonished, and, if found to be incorrigible, is to be expelled.

" Those who die poor, and cannot afford themselves burial, are to be buried at the charge of the Guild.

" The chaplain is not to frequent common taverns."

It would appear from these rules, that, even at that early period, considerable progress had been made in the character of these institutions, and that they had begun to approximate, in some degree, to the societies of more modern date. "Doubtless," as Mr. Ansell observes, "the ancient associations, whether distinguished by the name of Guild, Fraternity, Mystery, or Brotherhood, seem to have been no less addicted to feasting and conviviality than some of the modern village clubs. They generally assembled once a year for the purpose of acting some interlude or pageant."

Sharon Turner says, "that much good fellowship was connected with them can be denied by no one. The



finer of their own imposition imply that the materials of conviviality were not forgotten. These associations may be called the Anglo-Saxon clubs."

Annual or periodical feasting in public appears to be a thoroughly British characteristic, and has, from time immemorial, permeated every class of society. We have at the present day numerous legitimate representatives of the ancient predilection in ever class. We have balls and *soirées* in aid of patriotic funds and all manner of charities. Our ancestors, in their feasting, did not forget the prime object of their meeting together. Their Guilds, says Blomefield,\* "also gave annual charity, stipends to poor persons; found beds and entertainment to poor people that were strangers; and had people to keep and lend the same beds; and did other works of charity."

It will thus be seen, that these old institutions, rude and imperfect though they undoubtedly were, contained the germs of their more matured and amply-developed successors.

It is difficult to determine at what precise period the elder class of the modern Friendly Societies were established. Mr. Ansell says:—"The history of each society has most probably been confined to the scanty documents in its own possession, which have been lost or destroyed when the society itself has been broken up; a RESULT ALMOST UNIVERSAL within comparatively few years of their respective foundations. One society,

\* History of Norfolk.

however, still exists in London, which states itself to have been founded in 1715, but it retains no documents which can aid us in tracing the history of Friendly Societies generally, or even its own particular history."

Mr. W. Tidd Pratt says: "There are some societies now in existence which were established about the beginning of the last century. Amongst these are the Watchmakers' Society, now or lately held at the Crown Tavern, Clerkenwell Green; the Norman Society, established in 1703, lately held at the Pitt's Head, Tysson Grove, Bethnal Green; and the Friendly Society of Shoemakers, at Newcastle-upon-Tyne, established in 1719."

It is not at all improbable that the honour of having first suggested the modern institutions is due to Daniel De Foe. In 1696 he published a work entitled an "Essay on Projects," in which he advocates a plan for the promotion of societies "*formed by mutual assurance for the relief of the members in seasons of distress.*" By way of experiment he proposes to establish one for the *support of destitute widows*, and another for the assistance of seamen. "The same thought," he adds, "might be improved into methods that should prevent the general misery and poverty of mankind, and at once secure us against beggars, parish poor, alms-houses, and hospitals; by which not a creature so miserable or so poor but *should claim subsistence as their due*, and not ask it of charity." From this it would appear that not only were no such societies in existence at the period, but that the author of the immortal "Robinson Crusoe" was the first to suggest their formation.

But little progress, however, appears to have been made in the practical development of this great provident principle, until nearly a century afterwards. So far as the truly working men were concerned, this is in no manner surprising. A very slight glance at the history of the operative class born in "free and enlightened" England, will be sufficient to demonstrate the utter folly of confounding their modern efforts with either those of the soldiers of Titus Cæsar, or the members of the mediæval guilds. These institutions were evidently supported solely by the middle and upper classes. When Englishmen refer with pride to Anglo-Saxon love of freedom, it must not be forgotten that the labouring men amongst their ancestors shared not the vaunted privileges. About two-thirds of the inhabitants were slaves. Indeed, notwithstanding the repeal of the feudal laws in the reign of Charles II., the really tangible emancipation of the working classes can scarcely be said to have commenced till near the end of the last century, on account of the stringent laws to which they were still subjected; laws which not only ignored the right of the toiler to sell his labour in the best market, but compelled him to accept the offer of any employer in his parish who demanded his services, at a price fixed by Act of Parliament!

The dissolution of the monasteries, and the emancipation of the serfs, necessitated the Poor-Laws of Elizabeth. In the first year of the reign of her brother, Edward VI., an Act was passed professedly "for the punishment of vagabonds and the relief of the poor and

impotent persons," which pretty plainly intimates what sort of freedom the aristocracy of the sixteenth century considered as the right or privilege of the working population. The said Act declares, that if a man refuse to work at statute prices, he shall be branded with the letter V (vagabond), and declared a slave for two years to any one who shall demand him! If he resisted this invasion of his freedom by an attempt to escape, the letter S was burnt upon his cheek, and he was declared to be a slave for life. If his Anglo-Saxon liberty-loving propensities urged him to a further effort in this direction, the then merciful and equitable laws of England adjudged him to death as a felon! Nay, strange as it may sound to the ears of those previously unacquainted with the fact, as late as the year 1768, an Act was passed declaring that the London tailors should be compelled to labour from six in the morning to seven in the evening, "with an interval of one hour only for refreshment." The said Act likewise decreed that the wages of the free English fabricator of clothing should not exceed two shillings and seven pence per day, except at a period of general mourning, when, for the space of one month, he was permitted to demand the sum of five shillings and three halfpence! If any master or workman committed the atrocious act of paying or receiving other than the sums specified, the offender was subjected to two months' imprisonment and hard labour! Nay, more; a penalty of £500 menaced the enterprising *master* tailor of London, who sought to evade the law by the employment of workmen whose residence exceeded five miles in distance



from the city thus honoured by the special paternal care of an enlightened legislature! The statute-book is further encumbered by numerous Acts of Parliament "regulating" the most minute details of manufacturing industry. One Act, passed in 1720, re-regulates the tailors; another orders, under a penalty of £5, "that no buttons or button-holes made of cloth, serge, drugget, frieze, camblet, or any other stuffs, should be made, set, or bound on any clothes, or wearing garments whatsoever, by any tailor or other person." The mitigation of the "great impoverishment" of the makers of silk, mohair, and thread buttons, was the professed object of this specimen of profound legislative wisdom.

It was not until 1795, that a workman could legally travel in search of employment out of his own parish. In that year it was first enacted, that none should be removed until after their reception of parochial relief. Previously, it was quite sufficient that a man was poor, in order to cause his being summarily ejected from the locality into which he had so impertinently intruded. In the following year Mr. Pitt, to his honour as a statesman, first raised his voice against the principle of these semi-slavery enactments. The increase of the cotton-trade and the expansion of the general legislative and commercial intellect, has now nearly swept away all these antiquated enactments of a selfish and ignorant authority. It was not, however, until 1814, that the Act of Elizabeth which restricted the exercise of any "art, mystery, or manual occupation" to parties "who shall have been brought up therein seven years at the least as an appren-

tice " was repealed. There is even here, however, a special provision that " the ancient customs, usages, privileges, or franchises of the city of London " are to be still respected. Some few other tattered shreds of this species of commercial legislation, till within the last year or two, demanded and received the deference due to obsolete but unrepealed portions of the British Statute-Book.

The working-man of the present day, under whatever disadvantages he may labour in some respects, is, nevertheless, legally free to sell his labour at the best price he can procure, and in what localities his necessities or his inclination may dictate. He can dispose of his little capital, when once earned, with equally perfect freedom. He can likewise, now, legally combine with his fellow-men for the attainment of a common object, where individual effort is inoperative or inadequate. His last resource, in affliction, during his transition state from serfdom to personal freedom, was the parish. The semi-serf felt it no degradation to receive a portion of his regular wages from the parish ; and, when his strength failed, he looked forward, without shame, to the work-house as an asylum. The human appendage to the soil, had a *right* to maintenance from his lord. But the free man feels that he has no such claim. He knows that for him and his, there can exist no real liberty which is not founded upon self-dependence. Hence the true origin and rapid growth, amongst the sound-hearted British populace, of sick-clubs and other Friendly Societies, the Insurance Companies of the industrious operatives—the honourable substitute for the parish relief of the semi-

slave by Act of Parliament, and for the compulsory provender of the territorial serf.

These institutions have, as may naturally be surmised from their extent, and the influence which they are calculated to exercise upon the condition of so large a portion of the community, received considerable attention at the hands of the Government of this country. Mr. W. Tidd Pratt gives the following summary of the various Acts of Parliament which have from time to time been passed relative to this most important subject:—

“The earliest occasion upon which Friendly Societies received the sanction of either branch of the Legislature was in 1773, when a bill passed the House of Commons, but was rejected by the Lords, having for its title, ‘The better support of poor persons in certain circumstances, by enabling parishes to grant them annuities for life, upon purchase and under certain restrictions;’ and its intended object was to enable parishes in England and Wales to grant life annuities to such inhabitants willing to purchase them, and charging them upon the poor-rates as a collateral security. In 1789, the bill again passed the House of Commons, but met with the same fate in the Lords; and on this occasion tables, on an improved system, were computed, under the direction of the House of Commons. In 1793, Mr. George Rose originated, with the concurrence of Mr. Pitt, the first Act to be found in the statute-book for the encouragement of Friendly Societies, the 33rd Geo. III. cap. 54. It recites, ‘that the protection and encouragement of

Friendly Societies in this kingdom, for securing, by voluntary subscriptions of the members thereof, separate funds for the mutual relief and maintenance of the members in sickness, age, and infirmity, is likely to be attended with very beneficial effects, by promoting the happiness of individuals, and at the same time diminishing the public burthens.' After this, other Acts—namely, the 35th Geo. III. c. 111; the 49th Geo. III. c. 125; the 57th Geo. III. c. 39; and the 59th Geo. III. c. 128—were passed, having for their object the encouragement of these societies; and it appears that a great many persons took advantage of these acts. . . . The Select Committee on the Poor Laws, which sat in 1817, report 'that they have reason to believe that Friendly Societies, judiciously managed, have, in some parishes, tended greatly to the amelioration of the condition of the people, and that they should be secured by the contributions of the parish.' All these Acts were repealed in 1829 by that of the 10th Geo. IV. c. 56, which conferred many very important privileges on Friendly Societies; and in 1832 the 2nd Wm. IV. c. 37, and in 1834 the 4th and 5th Wm. IV. c. 40, were passed, confined, for the most part, to matters of regulation. In 1840 the Act of the 3rd and 4th Victoria, c. 37, was passed, taking away from certain societies, assuring the payment of *more than* £200, the exemption from stamp-duty contained in the former Acts, and the privilege of investing their funds in a savings-bank or with the National Debt Commissioners, but containing a provision enabling such societies to make



a rule empowering a member to nominate any person to receive the sum assured, the effect of which was to confer a very great privilege, as a member could thereby virtually assign his policy of assurance without any formal deed of assignment, and without incurring any *ad valorem* stamp-duty; and the amount assured could be also virtually bequeathed, and would become the property of the legatee, free from legacy duty, and need not be considered as composing part of the deceased member's property in calculating the amount of the probate duty. In 1846 it was considered necessary to pass another Act of Parliament for the regulation of these societies, the 9th and 10th Victoria, c. 27, in consequence of a decision by the Court of Queen's Bench, confining the meaning of the words contained in the 4th and 5th Wm. IV. c. 40, sec. 2, stating for what purposes a society might be established. . . . . It was then feared that the rate of contributions required by the rules from the members was quite insufficient for the benefits proposed to be assured, it being found that, in many instances, societies had been compelled to reduce or suspend altogether their allowances, and that those societies which had hitherto kept their engagements had been enabled to do so only by a continual introduction of young members, it was thought advisable to require a society assuring any benefit depending on the laws of sickness and mortality to adopt a table, certified by an actuary of some life-insurance company, as one which might be safely acted upon, before it could come under the provisions of the Act. This plan was considered



better than having model tables constructed, and enforcing an adherence to them, as the circumstances of human life, differing according to locality, occupation, and treatment, are so various, and the tables prepared by actuaries of high standing are by no means alike. It is, however, much to be regretted that no use was, and has hitherto, been made of the returns of sickness and mortality furnished by those societies to the registrar. Most of these societies are composed of persons engaged in some particular trade or calling; and a careful analysis of these returns might afford data for estimating the comparative healthiness of different trades, a matter not much at present understood, and would furnish the most precise information concerning the casualties to which the working classes of England are liable. The passing of this Act showed the great interest the country at large took in the welfare of Friendly Societies, and their anxiety to place them upon a proper basis; and also, that the feeling of the Legislature towards them was the same as it was in 1819, when the 59th Geo. III. c. 128, was passed, which recited, as a reason for the interference of the Legislature, ‘that the habitual reliance of poor persons upon parochial relief, rather than upon their own industry, tended to the moral deterioration of the people, and to the accumulation of heavy burthens upon parishes; and it was desirable, with a view as well to the reduction of the assessments made for the relief of the poor as to the improvements of the habits of the people, that encouragement should be afforded to persons desirous of making provision for themselves or their families out

of the fruits of their own industry, and to afford facilities and security to persons willing to unite in appropriating small sums, from time to time, to the formation of a common fund, for the purposes aforesaid, and to protect such persons against the effect of fraud and miscalculation.' In August, 1850, Mr. Sotheron, the member for North Wiltshire, who has always taken a very great interest in the subject of Friendly Societies, and has himself established one of very great extent in the county of Wilts, thought it would be advisable to consolidate the whole of the law relating to these societies, and to introduce such new clauses and provisions as would enable a very large class of societies, hitherto unenrolled, and known as the Odd Fellows, the Rechabites, &c., to come under the protection of the Acts; and, accordingly, he prepared and brought in, with Mr. Adderley and Mr. Bonham Carter, the Act now in force, the 13th and 14th Victoria, c. 115. Great praise is due to these gentlemen for the pains and trouble they took in carrying the measure through Parliament; and to them and all others who may assist, either by their donations or personal exertions, in the establishment and support of well-regulated Friendly Societies, the thanks of every well-wisher of the prosperity and happiness of his country are deservedly due."

This measure was annually re-enacted until 1855, when the permanent statute (18 and 19 Vic.) became law. Last year (1858) a small amendment bill was introduced by Mr. J. Tidd Pratt, the Registrar, and other parties, which was passed in August last.

Both these Acts will be found in the Appendix to this volume.

According to the report of the Select Committee of the House of Commons, in 1825, the great bulk of the enrolled Friendly Societies were instituted between 1793 and 1819. In 1802 only 9,672 members were returned to the Government; while in 1815 they were enumerated at 925,429. Mr. W. Tidd Pratt states that societies were enrolled from 1828 to 1847, comprising 781,722 members. The recent Acts of Parliament having facilitated the enrolment of societies of nearly every class, the number has consequently rapidly increased. Mr. J. Tidd Pratt, in his recent report (1858), says:—

“From the returns made to the Registrar, and from information received from other sources which may be relied on, it would appear that the number of Friendly Societies enrolled and certified, and now in existence in ENGLAND and WALES, is about 20,000, and the number of members exceeding 2,000,000, with funds exceeding £9,000,000. The number of individual depositors in Savings Banks on the 20th November, 1857, was 1,241,752, and the sum due to them £32,984,023. It appears, therefore, that the members of these societies and depositors in Savings Banks possess funds amounting to nearly £42,000,000!”

The progress of the secret affiliated bodies was extremely rapid after the Friendly Society principle had become fully engrafted upon their original constitutions. In 1836, according to Mr. Burn, there were not 40,000 members in the entire Manchester Unity, and these were

located principally in Manchester and its immediate neighbourhood.

It appears from the report of the sub-committee, presented to the annual meeting held at Glasgow, that the Unity included, in 1838, 1,200 lodges, comprising 90,000 members. From this it would appear the society had more than doubled its numbers in two years. Four years later, in 1842, according to the "memorial for the opinion of counsel," the Order consisted of upwards of 3,500 lodges, enumerating in the aggregate 220,000 members.

The amount of contributions paid by the members of the Manchester Unity in 1844, was £245,847. 13s. 8d., and the initiation fees paid by new members amounted to £49,389. 9s. 1d.; the expenditure for sickness was £107,440. 8s. 11d.; for funerals, and widows and orphans, £62,742. 11s. 6d.; for travelling relief to members in search of employment, and other incidental expenses (including surgeons' fees, benevolent gifts, &c.), £71,420. 16s. 4d. The number of weeks' sickness experienced by the entire Unity in the year, amounted to 224,817, or six days seventeen hours per member.

In 1845 the Unity comprised about 4,000 lodges, distributed over various parts of Great Britain, the colonies, and the United States of America. The number of members good on the books, or entitled to benefits, was very near 256,000.

From this period the number of members began to decline. The Annual Committee held at Newcastle-upon-Tyne had ordered returns to be sent in from all



lodges in the Unity, with the view to the compilation of proper tables of payments and benefits from the results of the past experience of the society itself. The committee had been impelled towards this course by the startling fact that between one and two hundred lodges had been compelled to close for want of funds in one year! Several members, ignorantly imagining that the directory wished to get possession of the funds of the various separate lodges, or that they purposed covertly "to sell the information to Government," became alarmed, and prevailed upon their branches to refuse compliance with the resolutions of the governing body, though that body had been elected upon the broadest democratic principle. The malcontents were consequently suspended from their connection with the Order until they furnished the requisite information.

In the following year (1845) the Annual Committee, which met at Glasgow, passed some resolutions, which enforced upon lodges certain financial improvements. The "conservative" party rebelled, and a serious crisis resulted, which threatened for a considerable time the very existence of the Manchester Unity. The opposing factions struggled with desperate energy for a lengthened period, and much personality and some irrelevant matter became mixed up with the affair. It ended in what is termed the "national split," or the formation of a separate society, with the title of the "National Independent Order of Odd Fellows." The great bulk of the Manchester Unity, however, adhered to the law and the executive.



The Corresponding Secretary at the time states, in a published document, the number of members in February, 1845, to have been 248,526, and estimates the number suspended in consequence of these differences to have been 15,840, the great bulk of whom belonged to the Manchester and Salford districts. From the 1st of February to the 31st of August, in the same year, 16,292 new members joined the Unity, leaving the total number 248,978. In the same document it is stated, but I know not on what precise authority, that the gross amount of funds belonging to the various branches of the Order was £684,869. The auditor's report, however, presented to the Annual Committee at Glasgow, states the number of members had increased to 264,600, of which 255,979 were good upon the books on the 1st of January in the same year. From this period until 1853, it slightly but gradually decreased. The general stagnation in trade which followed the period of the national secession materially thinned the ranks of the Order. In 1850 the members good on the books amounted to 224,878. The returns since show the total number, and not those alone who are entitled to benefits. In January, 1851, the Unity numbered 229,049; and in January, 1852, 225,194; being a decrease during the twelve months of 3,855. On January 1st, 1853, the number was 224,441, again exhibiting a decrease of 753. In this year the Annual Committee, assembled at Preston, passed resolutions compelling each lodge in the Unity to adopt a graduated rate of contribution, according to age on entrance. From this

period, the rate of increase has been extremely rapid ; a very significant fact, which indicates clearly that the provident working men prefer to join those societies whose members are determined to re-model their financial laws in accordance with the dictates of past experience. The return on the 1st of January in each of the years named, gives the numbers as follows :—

Year.	No. of Districts.	No. of Lodges.	No. of Members.
1854	435	3,122	231,228
1855	435	3,123	239,783
1856	433	3,145	251,008
1857	433	3,161	262,833
1858	431	3,198	276,254
1859.	429	3,202	287,573

The number of members in the Manchester district who joined the National Order of Odd Fellows, in 1845, was 9,629. They gradually decreased to 6,028 in 1851. About 1,000 of them had, however, formed a new district, still in connection with the National Unity. In 1859 the Manchester district numbered 72 lodges, including about 5,700 members. The whole body contains, I am informed, from 15,000 to 20,000 persons ; but the exact number does not appear to be known to the members themselves, there being no return published by the executive.

The “Universal Order of Odd Fellows,” an offshoot from the Manchester Unity, in the United States of America, consists at the present time of about 200,000 members. The first lodge in America was opened at

Baltimore in about the year 1820. The dispensation was granted by the Duke of York Lodge of the Preston district. The late Mr. Crowder was the bearer of the document which introduced the fraternity to the New World. One of the past officers whose name is attached to this dispensation, Mr. George Ward, is still alive. He is believed to be the oldest Odd Fellow living. This original charter was confirmed by the annual meeting of the Unity in 1826.\*

In 1851, the "Grand United Order of Odd Fellows" numbered about 37,000 members.†

The "Ancient Order of Foresters" contained on the 1st of January, 1850, 1,553 courts, which included 80,089 members. On the 1st of January, 1858, the Order numbered 172 districts, 1,917 courts, including 135,001 members. On the 1st of January, 1859, the returns show 175 districts, comprising 2,048 courts, and 148,562 members.

"The Ancient Order of Druids" is said to contain about 20,000, and the "Ancient Order of Shepherds" about 15,000 members. The latter are principally located

\* There is some difficulty in ascertaining the date of the original dispensation. In a copy read by Mr. Luff at a public demonstration at Preston, in 1849, the date is February 1st, 1820. A friend, however, has still in his possession an original travelling-card, granted by the Washington lodge at Baltimore, to the said John Crowder, on the 1st of November, 1819. This document states that the lodge was "instituted on the 26th of April, 1819." Several parties now living, some of whom remember the granting of the dispensation, say, with confidence, that Crowder left England for America early in the year 1822, and that, in their opinion, it was his first visit.

† Return to J. Tidd Pratt, 1858.

in Lancashire and Yorkshire, or the immediate neighbourhood. The "Ancient Noble Order of Odd Fellows of the Bolton Unity," according to a return made August, 1858, comprised 21 districts, including 184 lodges, numbering in the aggregate 9,391 members. There are many other secret affiliated Orders, whose numbers I have not yet been able to obtain, such as the "Independent Order of Mechanics," the "Sheffield Unity of Odd Fellows," the "Salford Unity of Odd Fellows," the "London Unity of Odd Fellows," the "Old Friends," "Rechabites," "Sons of Temperance," "Ancient Romans," "Sons of Zebedie," "Peaceful Dove," the "Oddesses," "Female Druids," &c. &c.

A species of affiliated Friendly Society has within the last few years been established amongst the *employés* of the principal railway companies. The largest, in connection with the Lancashire and Yorkshire, the North Union, and some other lines, numbers nearly 7,000 members, with an annual income of upwards of £4,000. The insurances are a sum at death, and compensation in case of disability arising from accident.

Some of the burial clubs number from 20,000 to 50,000 members each; many of their members, however, are children.

Previously to the passing of Mr. Sotheron's bill, in 1850, the affiliated bodies or "secret Orders" were denied the protection of the law. For some time afterwards a very strong impression obtained amongst the members that Government had some sinister object in view in the passing of the Act, which invited them to



enter within the pale of the constitution. Mr. J. Tidd Pratt, in his last report (1858), however, says that "this feeling is now rapidly disappearing, and out of 3,198 lodges, which compose the Manchester Unity of Odd Fellows, the largest of these societies, 1,673, or more than one-half, are registered. The same result has taken place in the Ancient Order of Foresters, which is another large society of a similar kind, in which there are 1,876 courts, or branches, in England and Wales, and 926 of them are registered, which is about the same proportion as in the other case, viz. one-half. A similar result is taking place in the other 'Orders.'"

There is considerable difficulty in determining the total number of members of all the Friendly Societies, enrolled and unenrolled. Lord Beaumont, however, said, in the House of Lords, in 1850, that they had been computed at 3,052,000; that they were in receipt of an annual revenue of £4,980,000; and that they possessed an accumulated capital of £11,360,000!

Benefit or Friendly Societies appear to be almost exclusively confined to Great Britain, its colonies, and the United States of America. The Manchester Unity opened a lodge at Rouen, and at some other places in France; but, during the agitation after the late revolution, they were, temporarily at least, closed. The French have made some attempts to introduce institutions of the Friendly Society class, but they do not appear to have been received with the same favour by the operative classes as in England. They are called "*Sociétés Philantropiques*," and "*Les Sociétés de*

*Prevoyance, et de Secours mutuel.*" In 1825, the Baron Delessert, in reply to a communication from Mr. Courteney, the Chairman of the Select Committee of the House of Commons, in that year, states that "about 160 such societies had been established in Paris within a few years." The National Assembly, in 1850, passed a law for the creation, under the guarantee of the state, of "*Une Caisse de Retraites ou Rentes viagères pour la Vieillesse*," a kind of superannuation or annuity fund for aged persons. By a decree of Louis Napoleon, as President of the Republic, dated 28th March, 1852, it is ordered that a "*Société de Secours mutuel*" may be established by the mayor and *curé* in each of the *communes* where its utility appeared to be recognized. The decision of this question of utility rests with the prefect after a consultation with the municipal council. The government of these societies is, however, of a somewhat different character to that of the English bodies. The President of the Republic nominates the president of each society. Each society is not to consist of more than 500 recipient members, without the express authority of the prefect, or of the minister of the interior; and the business is conducted by a *bureau* or committee, elected by the general body from amongst the ordinary and honorary members. The president and *bureau*, alone, admit honorary members "without regard to age or residence," and as their number is unlimited, the management is virtually in the hands of the government.

## CHAPTER III.

## VITAL STATISTICS :—SPECIAL HISTORY AND PROGRESS.

THE majority of Odd Fellow and Friendly Societies were established before any certain knowledge of the operation of the innumerable natural laws and artificial conditions which induce sickness had been discovered. Consequently, as I have previously observed, their original financial arrangements were the offspring of benevolent impulse, and not of scientific deduction. The great mass of facts presented by the experience of these societies themselves forms the base on which rests the whole superstructure of the science of "Vital Statistics," so far as its teachings are applicable to their condition and requirements. As experiment is the foundation and test of all practical science, it was, therefore, absolutely necessary that some parties should have ventured upon the exploration of the unknown territory, notwithstanding the gloom and uncertainty that pervaded it, or data would not have been available from which the more perfect system of finance has latterly been evolved.

It is of the highest consequence to the stability of Friendly Societies that the leading facts and general principles of this science should be clearly understood by those who undertake their formation and management. Some little knowledge of the progress of the

science itself is necessary to a full recognition of its claims to public confidence, as well as to a clear understanding of several of its most important doctrines.

The Select Committee of the House of Commons, in 1825, reported that the Act of 1819 stipulated that "Justices (who, at that period, fulfilled the functions of the Registrar), shall not confirm and allow any tables of payments or benefits, or any rules dependent upon, or connected with, the calculation thereof, until it shall have been made to appear to such justices that the said tables and rules are such as have been approved by two persons, at least, *known to be professional actuaries*, or persons *skilled in calculation*, as fit and proper, according to the most correct calculation of which the nature of the case will admit." The committee found, on inquiry, "that in many counties the bench had been satisfied with the signature of *petty schoolmasters and accountants*, whose opinion upon the probability of sickness and the duration of human life is not to be depended upon." The committee further observe:—

"It is remarkable that, until a very few years, no *data* were collected whereon a calculation of the average occurrence of sickness at the several ages of man could be formed with tolerable accuracy; but it is fortunate that a calculation, made many years ago, upon a hypothetical assumption, has been found to lead to practical results, not very different to those of more recent inquiries." The hypothesis alluded to (by Dr. Price) was, "that in societies consisting of persons under thirty-two years of age, a forty-eighth part



of the members will always be in a state of incapacity, from illness or accident; that, from the age of thirty-two to forty-two, this proportion increases to one quarter more than a forty-eighth part; from forty-three to fifty-one, to one half more; from fifty-two to fifty-eight, to three quarters more; and from fifty-eight to sixty-four, to double. The first branch of this proposition, referring to an age under thirty-two, is stated to have been founded, in some degree, upon experience; the others proceed upon the assumption, that after that age, as life approaches to its close, sickness becomes more frequent, in the same ratio as life becomes less valuable."

Mr. Morgan, the nephew of Dr. Price, and Mr. French, actuaries, made use of these tables, and certified under the Act a great number of societies, and, amongst the rest, a most important one at Southwell, in Nottinghamshire, founded by the Rev. John Beecher. Other eminent actuaries concurred in the opinion of Messrs. Morgan and French, that the Southwell tables were sufficient for sickness. Mr. Finlaison, Sen., however, on his first examination before the Committee of the House of Commons, in 1825, "signified an opinion that sickness does not follow any general law;" but having, at the suggestion of the committee, paid further attention to the subject, he expressed his conviction "that sickness might be reduced to an almost certain law," and furnished a considerable body of information on the subject to the committee. Mr. Finlaison founded his opinion upon some facts, published by Sir Gilbert

Blane, in 1822, on the diseases in London, in which there was a very remarkable consistency between the rate of sickness and death. Mr. Finlaison assumed "that the sickness which terminated mortally was one-twelfth of the whole sickness." His theory was, therefore, founded upon the supposition that there was a very great consistency in the proportion of sickness to the rate of mortality experienced by the members of these societies. Mr. Neison has, however, subsequently proved, from his extensive data, that this theory is not borne out by experience, and that "increased mortality is not *always* accompanied by an increased rate of sickness." Mr. Finlaison likewise expressed his conviction that the Northampton tables, which were previously in high repute, gave an expectation of life so much too unfavourable as to render the use of them for annuities in old age extremely unsafe. Mr. Finlaison founded this opinion upon the experience drawn from the duration of life amongst the nominees in the Government tontines and annuitants. This gentleman, in the course of his investigations, discovered the interesting fact that the value of life in this country had improved, within a century, in the proportion of four to three in round numbers. Mr. Finlaison then considered the Southwell tables to be, in respect to the allowance for old age, considerably too low, though too high for the payment at death.

The tables of the Highland Society were published in 1825. The not very extensive data upon which they were formed had been collected from between seventy

and eighty sick clubs in Scotland about the year 1820. In the earlier periods of life they give a much lower average than Dr. Price's hypothesis, though in the latter portion a directly contrary result is presented. The "Southwell Tables," formed to some extent on Dr. Price's theory, modified by a little experience, were preferred by the Committee of the House of Commons in 1825.

It thus appears that so recently as 1825 the educated classes were not in a much more enlightened condition as to this important question than the humble members of these institutions themselves. Many of the now insolvent societies formed themselves upon the models submitted to them by the very parties who were supposed at the time to be best able to advise in such matters. These facts are too often ignored or forgotten by a certain class of individuals, who idly denounce the errors of the working classes, instead of endeavouring to learn their origin, character, and extent, and afterwards, in a kindly spirit, pointing out the most practical method for their eradication.

Ten years later (1835) Mr. Ansell's tables were first given to the public. They had been prepared at the instigation of the Society for the Diffusion of Useful Knowledge, from data furnished by five years' experience of nearly 5,000 members of Friendly Societies in England and Wales, "while passing through, in the aggregate, 24,323 years of life, principally between the ages of 20 and 70."

Mr. Ansell shows that Dr. Price's calculations differed from "the facts as shown from actual observa-

tions;" and further remarks, that "the circumstance tends to show how little reliance is, in similar cases, to be placed upon hypotheses, however ingenious those hypotheses may be."

Mr. Ansell's data give a considerably higher rate of sickness, during the whole period of life, than that published by the Highland Society. This led to an impression that the liability to sickness in the two countries varied to the extent indicated by these results, but subsequent investigations have shown this to be erroneous. The societies observed upon did not present similar conditions. The members of the Scotch clubs were not considered fully entitled to the sick allowance unless they were in pecuniary distress when prevented from following their daily occupation through illness. This, no doubt, was the cause of the discrepancy between the two experiences, as Friendly Society returns merely show the amount of claims upon the funds, and not the rate of sickness in a medical sense.

Mr. Ansell, in order to illustrate more distinctly the difference between his results and those published by the Highland Society, and likewise to contrast both with Dr. Price's hypothesis, has exhibited the progress of the annual amount of sickness per member upon a map or plan. The diagram which accompanies the figure tables in this work is, to some extent, although different in form, imitated from that published by Mr. Ansell. The line thus — — — — — represents the annual sickness at the various periods of life, according to Dr. Price's hypothesis; the line thus \_\_\_\_\_ indi-



cates the Highland Society's rates; and the dark line, thus                      the experience of Mr. Ansell from the data furnished by the societies under his observation. Mr. Ansell's facts did not actually indicate the results thus figured. There were, owing to the limited number of years of life over which the experience extended, some irregularities. These the actuary "adjusted" so as to develop a more uniform law. Mr. Ansell confesses that, notwithstanding the apparently large number of individuals from whom his experience had been procured, a series of results has not been obtained minutely uniform; but, he considers it sufficiently so to warrant very considerable confidence being placed in the results deduced from it. Still, he says, "it will be very desirable that future collections should be made of the experience of Friendly Societies, as to the quantity of sickness occurring among the members, either for the purpose of verifying or of correcting the result of this first collection of facts in England, similar to those alluded to."

In 1845, Mr. Neison's valuable work, entitled "Contributions to Vital Statistics," appeared. The data upon which Mr. Neison's results are calculated consist of the quinquennial returns for 1836 to 1840, made under the Friendly Societies Act; returns furnished by various societies in Scotland; and the second, third, fourth, and fifth returns to the registrar-general. The experience of the average amount of sickness and mortality extends over a period of 1,147,143 years of life.

If proof had been necessary of the insufficiency of

the rates of the Highland Society's tables, after the signal failure of many societies established upon them, that proof was amply afforded by the results of Mr. Neison's investigation. The real difference between the two countries is very slight; Scotland having a trifling advantage with respect to sickness, while England and Wales exhibit more favourable results with regard to mortality,—a striking proof, as Mr. Neison observes, “that the operations of sickness and mortality do not bear to each other the relation of cause and effect.” Mr. Neison's investigations clearly exhibit what, to many, will appear a very singular fact, namely, that the duration of life amongst the members of Friendly Societies is not only greater than that of the whole population, but even than that of the middle and upper classes of society. In reference to this curious portion of his subject, Mr. Neison says:—

“It will be necessary to make a distinction between them and the great bulk of the poorer classes of the country. For an individual to remain a member of a Friendly Society, it is required that he should make his weekly or monthly contribution to its funds; and, although a few pence is all that is needed, it presumes on a certain amount of frugality and industrial habit, sufficient to separate him from the reckless and improvident person who is more openly exposed to the vicissitudes—poverty, distress, destitution, and disease—incidental to fluctuations in the demand for labour.”

And further, Mr. Neison observes:—

“If the nature of the present paper led to a further

investigation of this point, it could be clearly shown, by tracing the various classes of society in which there exists sufficient means of subsistence, beginning with the most humble, and passing on to the middle and upper classes, that a gradual deterioration in the duration of human life takes place; and that, just as life, with all its wealth, pomp, and magnificence, would seem to become more valuable and tempting, so are its opportunities and chances of enjoyment lessened. As far as the results of figures admit of judging, this condition would seem to flow directly from the luxuriant and pampered style of living among the wealthier classes, whose artificial habits interfere with the nature and degree of those physical exercises, which, in a simpler class of society, are accompanied with long life."

Mr. Tidd Pratt, in his report last year (1858), corroborates Mr. Neison's statement as to the increased value of the lives of members of Friendly Societies as compared with the general population. The cause of the excess of mortality in simple burial clubs is likewise truthfully indicated. He says,—

"The total number of deaths during the year in that number of societies (125) is 5,397, and as 125 societies, with an average of 1,600 members each, gives a total of 200,000 members, it appears that the average mortality in these societies is 2.698 per cent., or more than *twice* the average amount of mortality experienced in the ordinary Friendly Societies. This increased rate of mortality is what might be expected on account of the large number of infants and children which are entered as

members on the books of these societies. The Registrar-General of Births, &c., in the report of the mortality experienced in England and Wales during the year 1857, states that the average rate was 2·176 per cent. ; this gives an excess of mortality in the burial societies of ·522 per cent. over that experienced in England and Wales; or, in other words, out of 1,000 members of burial societies, nearly 27 would die in the course of a year; while, out of the same number of the general population, the number of deaths would be about 22."

The average annual amount of sickness experienced is somewhat higher from the data of Mr. Neison than from that of Mr. Ansell:—At the age of 20, Mr. Ansell gives less than eight-tenths of a week per year as the average sickness of the members of Friendly Societies; Mr. Neison, for the same period, gives more than eight-tenths; the difference between them is about seven and six-tenths per cent. At the age of 40, Mr. Ansell's table shows the average yearly sickness to be about one week and one-tenth; Mr. Neison's, nearly one week and two-tenths; a variation of nearly six per cent. At 60 years of age, Mr. Ansell's data show an average annual sickness of three weeks and nearly three-tenths; while Mr. Neison's exhibit, for the same year, four weeks and upwards of one tenth; the variation being nearly twenty-one per cent. At 70 years of age, Mr. Ansell gives the average sickness per annum at a little less than twelve weeks; Mr. Neison at rather more than fourteen weeks; the excess being about twenty-three per cent. This will be more distinctly understood by reference to the diagram



at page 75. The dark line \_\_\_\_\_ exhibits the increase in the annual experience of sickness according to Mr. Ansell. The line thus ..... represents the results of Mr. Neison's experience.

It is a matter of considerable importance that the correct nature of the causes of this variation should be ascertained. Mr. Neison, in reference to it, observes—

“That it is difficult to account for the difference between Mr. Ansell's tables and his own, unless it be considered that the imperfect manner in which the affairs of Friendly Societies, at that period, were managed (1823–1827), did not allow of so accurate information being then obtained as now, when required by Act of Parliament to make quinquennial returns. In Scotland, at the time even of collecting the data for Mr. Neison's inquiry, it was found that quadruple the societies would have filled up schedules in competition for the prizes offered, but were prevented doing so from the incomplete system in which their books were kept. It is not improbable that the difference in the two classes of results may be partially accounted for by the *smallness of the numbers* over which Mr. Ansell's observations extended, as, in the aggregate, they amounted to 24,323 years of life only, or about 5,000 persons for a period of five years. If this fact is considered—and, at the same time, the irregularities which peculiarity of employment and other circumstances have been shown to produce—it will not be difficult to account for the discrepancy.”

Mr. Neison's work exhibits not only the variations which particular localities present in the rates of sickness

and mortality, but, likewise, the differences found amongst some of the principal trades and employments followed by the working classes.

In 1850, Mr. H. Ratcliffe, the Corresponding Secretary to the Manchester Unity, published the results of his observations upon the data furnished by the experience of that Order. Mr. Ratcliffe, in his preface, explains the motives which led to the compilation of these tables. He says—

“Some years have elapsed since it was first attempted to obtain statistical information from the lodges of the Manchester Unity. As might have been expected, every proposition was at first strenuously resisted, which had for its object the attainment of such information as alone could be relied upon as a safe guide to the successful financial management of so vast a body, the leaders of which were anxious to secure its permanent stability as a provident association, by the application of every measure which the *experience of the society itself* might demonstrate to be necessary to insure its safety. At length, the unanswerable arguments advanced by those desirous of profiting by past experience prevailed; and, in the year 1846, it was determined that we should *no longer decline to understand our true position.*  
..... Returns of the most ample kind were required from all lodges composing the Unity; and thus was obtained all the information desirable to be possessed, relative to the sickness and mortality of the members of the Manchester Unity. From these returns the tables in this work have been prepared.”

In 1852, Mr. Ratcliffe published a supplement to his observations on the data furnished by the Manchester Unity, containing much valuable information of a practical character. Additional tables of the value of annuities are given to meet the practice of nearly every class of periodically reduced sick allowance. Mr. Ratcliffe gives tables for the calculation of sick benefits extending over limited periods of time, and likewise for what is termed "wives' funeral money." As many societies adopt the plan of paying full sick allowance only for a limited period, and as no additional periodical contribution is charged for a wife's funeral money, these supplementary tables are indispensable to the true valuation of the assets and liabilities, under such circumstances. Mr. Ratcliffe's supplement likewise contains an exposition of the mode of procedure adopted by actuaries in order to ascertain the financial position of any society or branch thereof. This has been productive of much educational benefit. Many secretaries have, to my own knowledge, learned the process, and by this means prepared the way for many important reforms.

The publication of this experience reflects the highest credit, not only upon the talented secretary, but upon the entire Manchester Unity; for, by their efforts, a most valuable addition to the existing stock of statistical information has been made. It likewise exhibits incontrovertible evidence of the rapid intellectual progress of this extensive and important body, and augurs well for its future improvement.

The tables of the Manchester Unity give a less

amount of average sickness at the commencement of life than either Mr. Ansell's or Mr. Neison's. Towards the conclusion of life, this is again the case; but, in the middle period, it is directly the reverse. Up to age 43, the Manchester Unity is below Mr. Ansell; it then advances, and continues higher till about the 66th year, at which period it relatively diminishes, and continues less for the remainder of life. The Manchester Unity shows a lower rate of sickness than Mr. Neison's Friendly Societies, with the exception of the period between the 55th and 63rd years, during which portion of life the liability is rather higher. The total average sickness from the age of 20 to that of 70 years is, according to Mr. Neison, 137 weeks, 5 days, 15 hours; according to the Manchester Unity, 118 weeks, 5 days, 15 hours—a difference of 19 weeks. From the age of 70 to that of 80 years, the total average sickness is much greater than the whole of the preceding period of 50 years, according to both calculations. Mr. Neison's data give 205 weeks, 2 days, 11 hours; the Manchester Unity, 141 weeks, 3 days, 14 hours. The immense amount of sickness, together with the uncertainty of the results, after the age of 70 years, forms the best possible argument for the establishment of a permanent annuity, in lieu of sick pay, after that period. The difference in these results is shown on the diagram. The line thus — — — — — represents the experience of the Manchester Unity.

In 1853, Mr. Finlaison, Actuary to the National Debt Office, presented his “ Report and tables, prepared under the direction of the Lords of the Treasury, on the



subject of sickness and mortality amongst the members of Friendly Societies, as shown by the quinquennial returns to the 31st day of December, 1850, received by the Registrar of Friendly Societies in England, under the provisions of the Act 9 and 10 Vic. c. 27." The data extend over the experience of about 300,000 persons during five years, or about one million and a half years of life. This comprises the most extensive collection of facts yet observed upon relative to Friendly Society experience. Mr. Finlaison's data show a higher average amount of sickness at the earlier periods of life than any other; but this is more than balanced by the contrary results exhibited after the age of 40. In consequence, however, of the peculiar manner in which Mr. Finlaison has thought proper to group his results, no satisfactory comparison with preceding investigations can be instituted. He omits, in his general tables, the experience of miners, colliers, and mariners. He lays much stress upon what he terms light labour, heavy labour, &c.; but as these are all averaged by the societies in practice, their immediate value is not very great. The publication of these tables, and Mr. Tidd Pratt's commentary thereon, called forth the following observations from Mr. Neison:—

“Attention is particularly directed to the observations and facts, in pp. 440-6, on the Government analysis of the sickness experienced by Friendly Societies during the quinquennium 1846-50, and printed in Parliamentary Papers, No. 955 of 1853, and No. 506 of the year 1854. Since the disastrous publication of the High-

land Society's Tables, in 1824, perhaps no other so unfortunate event as the publication of what is termed the Government Tables has arisen in the history of Benefit and Friendly Societies, and into the nature of the mischief likely to be occasioned by it, I have fully entered in the pages already referred to. A careful perusal of those observations must satisfy every one having a practical knowledge of the management of Friendly Societies, of the imminent danger of circulating such documents under Government sanction. If those intrusted with the Analysis of the Government Sickness Returns had but asked themselves the simple question—What is the true object of a Friendly Society? it is impossible they could have excluded from their analysis 'chronic ailment,' 'mere decrepitude,' 'slight paralysis,' 'blindness,' 'mental disorder,' and 'senile infirmity,' and have only included in the published results, presented for the guidance of Friendly Societies in the country, 'sickness incapacitating from labour, *requiring constant medical treatment*,' and of *limited 'duration.'* The object which a working man has in view, in joining a Benefit Society, is not to provide only for sickness of *limited duration, requiring constant medical treatment.* If this were the only purpose of Friendly Societies, they would be nothing more than a delusion and a curse to a provident working man. Against sickness of *limited duration*, men whose prudential habits are sufficiently strong to retain their membership in Friendly Societies for two or three years, can, with a struggle, make provision even without the aid of a society; but how many

working men can contend against the vicissitudes of any description of '*chronic malady*,' or protracted sickness? The true object and mission of Friendly Societies, when properly considered and as regarded by the working man himself, is to afford him a competent support and complete independence during periods of sickness, incapacity, and disease, however protracted; and it is to accomplish this object that not only the earliest but the most recently and best-organized societies make special provision. Their object is not to form a stepping-stone, to aid the industrious and prudent to pass from the active and manly independence of their days of vigorous labour to the degraded pauperism of the workhouse. Were Friendly Societies so constituted, they would be a disgrace to the country, and could never receive the support and sympathy of the people. This is, however, the only practical effect which the general dissemination of the two Parliamentary Papers referred to can have, for by causing Friendly Societies to adopt scales of contributions and benefits, which make no provision for those very vicissitudes, which are in fact the most trying to a member's independence, he is, at a time when the least prepared for it, declared off the funds of the society, and has of course no alternative but to take shelter under the roof of the workhouse. That this is the real direction and tendency of these Parliamentary Papers is fully shown, in the Appendix to the First Report of the Registrar of Friendly Societies in England and Wales, dated the 18th July, 1856, and ordered by the House of Commons to be printed, 21st July, 1856.

The portion of the Appendix in question commences in page 37, and is entitled ‘Suggestions by John Tidd Pratt, Esq., the Registrar of Friendly Societies in England, for the establishment of Friendly Societies; with Tables of Contributions, for Payments in Sickness, &c.’ In page 39, he states that ‘provision should be made in the rules, that nothing but sickness incapacitating from labour, and requiring constant medical treatment, and of limited duration, as contradistinguished from chronic ailments and mere decrepitude, should be provided for, and that slight paralysis, blindness, mental disorder, or senile infirmity should not entitle a member to sick relief from his society.’ And again, at page 48, it is stated that the tables ‘are not intended to meet the case of chronic infirmity demanding little or no medical attention.’ This is certainly a most extraordinary suggestion to come from one holding an appointment of so high pretensions. It would be interesting to know the Registrar’s views of what the establishment of a Friendly Society is meant by him to effect. It surely cannot be his object to work out a mere problem in medical science, in order to determine the relation between acute and chronic diseases; and still looking at his suggestions in the most favourable light it is possible to regard them, no one can conclude that there is any intention to make Benefit Societies self-supporting provident institutions, which shall, during the physical vicissitudes to which all flesh is heir to, render their members independent of the parish and the workhouse.



“The question now arises, what are the members belonging to those societies, formed in accordance with the advice of the Registrar of Friendly Societies, to do while suffering from this protracted or ‘chronic’ sickness? They can get no relief from the society; and in his Report, and in its Appendix of Suggestions, not a single syllable is written on the subject; in fact, all allusion to this important feature is carefully avoided: and from pp. 444—5, seq., it will also be found that in the published Analysis of the Government Returns themselves, the nature and extent of the ‘chronic ailment and mere decrepitude’ are nowhere given; so that, so far as those documents and the Registrar’s instructions are concerned, the promoters, and those interested in the management of Friendly Societies, have no choice but to follow implicitly the Government tables, and permit about one member in seven of the sickness claimants, above the age of forty, to be drafted to the workhouse. Had the eliminated elements in question been given as a separate and distinct series of results, data would have been available for societies to make the necessary provision for ‘chronic ailment and mere decrepitude;’ but nothing of the kind has been done. It is, therefore, hoped that all interested in Friendly Societies will soon become fully aware of the defective and most disastrous aspect under which the results of the Government analysis of sickness has been submitted to the public.”\*

It is but justice, however, to Mr. Finlaison, to give,

\* Contributions to Vital Statistics, third edition, 1857, pp. xxii., xxv.. Preface.

in his own words, the caution which accompanied his tables. He says:—

“For the above reason” (the one combated by Mr. Neison), “and also because of the omission of certain occupations of greater hazard already enumerated, it is to be remarked that the tables now submitted must be expected to display rates of contribution rather lower than those which have hitherto been promulgated as necessary to secure the benefits of a pecuniary allowance in sickness. The present scales, therefore, should be made use of *with due precaution*.”\*

Previous data had shown considerable difference in the experience of what are termed rural, town, and city districts. Mr. Finlaison, on the contrary, contends that he finds “no traces of law, nor any regular preponderance of any of the three.” He says: “In the gross,† the average amount of sickness to each person sick is, for

“City districts .....	38·39 days.
Town .....	42·25   ,,
Rural .....	39·96   ,,
England and Wales .....	40·48   ,,

“The citizen, therefore, suffers two days less sickness than the townsman or the countryman; all which is certainly not in accordance with popular prejudice. But it is difficult to disconnect the known inferiority of sanitary

\* Report (second part), 1854.

† That is, from 20 to 70 years of age.

regulations in the towns, separately from the rest of England and Wales, from the foregoing results."

He adds: "A contrary tendency is displayed, however, in the returns of the mortality per cent. . . .

In the aggregate, the case is as under stated:—

"City districts .....	1·67	deaths per cent.
Town .....	1·37	"
Rural .....	1·11	"
England and Wales...	1·26	"

"Nor are the exclusions\* less remarkable; for instance:—

"City districts .....	5·12	excluded per cent.
Town .....	2·94	"
Rural .....	2·39	"
England and Wales...	3·00	"

"Causes other than those arising out of sanitary considerations might perhaps be assigned for the discrepancy observable between the results uniformly obtained from the sickness and those displayed in respect of the mortality. But the inversion of the rates is difficult of explanation. On the whole question, however, it is clear that there is no law of sickness so very distinctly pronounced as to justify any discrimination in pecuniary rates on the ground of sojourn in city, town, or country."

The amount of variation in the average sickness per

\* Parties expelled or ceasing to contribute.

annum, in days, exhibited between city, town, and rural districts, by the Manchester Unity data and by that supplied to Mr. Neison, will be clearly seen by reference to the following figures:—

Age—20.	Neison.	Manchester Unity.	Finlaison.
City .....	3·96	3·62	6·80
Town .....	5·99	3·99	6·89
Rural .....	5·87	4·20	6·88
Combined ....	5·87	4·03	6·88
Age—40.	Neison.	Manchester Unity.	Finlaison.
City .....	10·28	8·66	8·02
Town .....	8·86	7·45	8·21
Rural .....	7·47	6·81	8·26
Combined ....	8·26	7·54	8·21
Age—70.	Neison.	Manchester Unity.	Finlaison.
City .....	69·72	85·47	34·57
Town .....	108·49	54·24	44·96
Rural .....	99·36	68·30	44·89
Combined ....	98·27	67·02	43·65

Mr. W. Watkins, a Past Chief Ranger of the Ancient Order of Foresters, in 1855, published a small work, entitled “Statistical Notes on the Rate of Mortality and Sickness,” compiled from three years’



returns of the experience of that society. The Foresters appear to have experienced a larger amount of sickness up to the age of forty than the members of the Manchester Unity; but after that period the reverse is the case to so great an extent, that it is impossible not to conclude the existence of some important difference in the great majority of the Lodge or Court by-laws, especially with reference to sickness of a lengthened period. The number of claims under these circumstances depends materially upon the amount paid. If it be small, many of the elderly members, who may be but partially disabled, prefer following some little employment, and, consequently, save not only the society's funds, but reduce the average "sickness," as shown by the return.

It is desirable that the cause of the variation between the results arrived at by the different actuaries should be clearly accounted for, as many persons, from a superficial knowledge of the existence of these discrepancies, are led to fancy that no reliance can be placed upon any of them as a guide for future operations.

The irregularities are not caused by any difference of opinion amongst the actuaries themselves, but arise solely from the data being supplied to them from various sources and at different periods. The financial laws and sick regulations of one society often differ materially from those of another, and a corresponding variety in the number of claims may reasonably be expected. The returns, too, have not always been filled up by parties thoroughly acquainted with their purport and object; and many

errors must have crept into the earlier data more especially. I know from experience, within the last few years, that many stringent regulations have been introduced, which must have tended to lessen the claims materially.

No provision being made for old age, in the form of a superannuation allowance, at the commencement of these societies, the aged members unable to follow continuous heavy employment were returned as "sick." Hence the heavy rate at this period of life in the tables of Mr. Ansell, Mr. Neison, and even Mr. Ratcliffe, when compared with those of Mr. Finlaison and Mr. Watkins. Mr. Ratcliffe's data refer to the years 1846, 1847, and 1848; Mr. Neison's and Mr. Ansell's are much older; Mr. Finlaison's refer to the quinquennium ending with the year 1850, and Mr. Watkins exhibits the experience of 1850, 1851, and 1852. It is believed, owing to improved sanitary regulations, that the general health of the country has improved. The practice of insuring for medical attendance and medicine, as well as the requirement of a certificate of perfect health at the time of entrance, now in pretty general operation, must likewise have aided in the reduction of the average claims referred to.

It must not be forgotten, too, that sickness in Friendly Society practice is by no means identical with the medical usage of the term, but implies inability to follow employment. I have known many instances where a member under medical treatment was able to attend partially to his daily duties, and consequently could not

claim benefits. If the same person had moved in another sphere of life, or had followed a more arduous occupation, he would, from similar injuries or ailments, have become legally a recipient. Greater fluctuations in the results arise from this source than either the faculty or the actuaries seem to have imagined, and are the principal cause of that uncertainty as to average liability incident to all societies where the number of members is not sufficiently large to counteract the influence of extreme individual cases. Of this I have ample proof, derived from returns made by a number of lodges in my own neighbourhood. The experience of no single society can be expected to exhibit a series of results approximating anything like so nearly to each other as those furnished by the data of the four principal actuaries. In individual societies the variations are much greater, and consequently require some special provision. The necessity and nature of this corrective will be more fully discussed in a future chapter.

A careful examination of the following tables will convince the most sceptical, that although the results from the various data supplied to the actuaries are not minutely uniform, yet the great principles of vital statistical science are fully attested by each. It will be seen, that when extensive numbers are observed upon, a law of sickness becomes clearly developed, from which a probable future liability may be predicted, sufficiently near for the practical working of Friendly Societies; providing the necessary conditions be faithfully attended to.

Table No. 1 shows the average annual amount of

sickness experienced by each contributing member, according to the several actuaries, at the ages stated. From this the degree of discrepancy between the various data will be perceived at a glance.

TABLE No. I.

AVERAGE ANNUAL SICKNESS, IN WEEKS AND DECIMALS.

At Age.	Dr. Price.	Highland Society.	Mr. Ansell.	Mr. Neison.	Mr. Ratcliffe.	Mr. Finlaison.	Foresters.
20	..	..	0.77	0.83	0.58	0.98	0.66
25	..	0.58	0.80	0.87	0.72	0.97	0.88
30	..	0.62	0.86	0.91	0.80	0.98	0.95
35	1.15	0.67	0.95	0.98	0.90	1.02	0.94
40	1.28	0.75	1.11	1.18	1.07	1.17	1.04
45	1.44	0.96	1.35	1.49	1.38	1.33	1.10
50	1.64	1.36	1.70	1.96	1.85	1.61	1.48
55	1.90	1.82	2.25	2.70	2.71	1.99	2.30
60	2.24	2.34	3.29	4.16	4.39	2.67	2.51
65	2.72	4.40	5.67	7.75	6.22	3.90	2.71
70	3.44	10.70	11.79	14.03	9.57	6.23	4.98
75	..	..	..	21.46	14.74	9.54	..
80	..	..	..	26.94	19.91	13.95	..

The exact rate of progressive increase in the sickness experienced will be seen at a glance, on reference to the diagram on page 75. The variations in the results obtained by the several actuaries are likewise equally clearly indicated. The facts, represented by the figures in the above table, are thus rendered plain to the eye, which circumstance will, doubtless, tend to deepen the impression on the mind and the memory of those members to whom columns of figures exhibit an unintelligible or uninviting aspect.



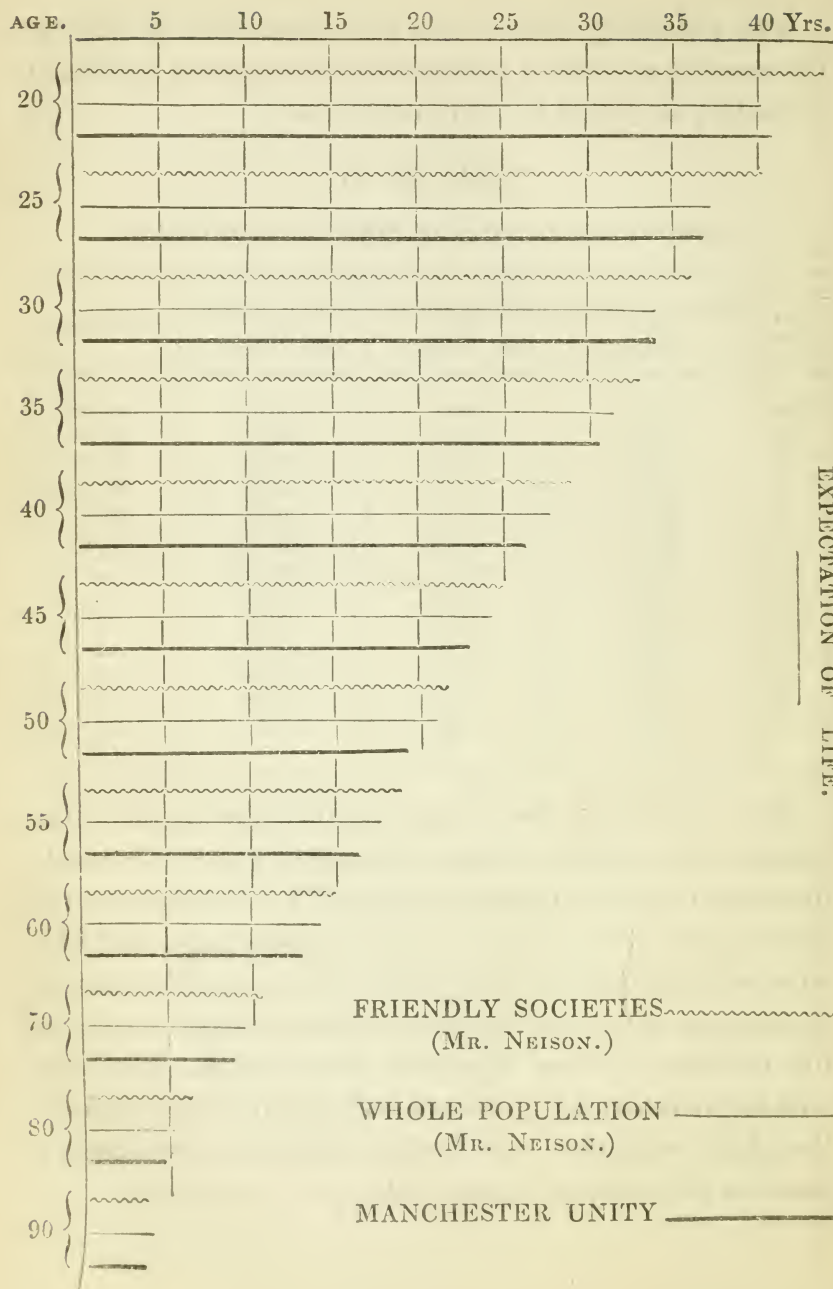
The following table shows the expectation of life, or the number of years a person may be expected to live, if in health, at any of the given ages :—

TABLE No. II.

EXPECTATION OF LIFE, IN YEARS AND DECIMALS.

At Age.	Manchester Unity, by Mr. Ratcliffe.	Whole Population, by Mr. Neison.	Friendly Societies, by Mr. Neison.	Foresters.
20	40·92	39·88	43·77	44·38
25	37·23	36·47	40·21	40·54
30	33·70	33·13	36·60	36·58
35	30·08	29·83	32·97	32·55
40	26·41	26·56	29·33	28·71
45	22·85	23·30	25·71	25·15
50	19·40	20·02	22·19	..
55	16·22	16·63	18·84	..
60	13·29	13·59	15·69	..
65	10·90	10·86	12·73	..
70	9·09	8·51	10·20	..
75	7·04	6·53	8·26	..
80	4·94	4·92	6·50	..

The variation in the several results, showing the diminished value of life as age advances, is more distinctly illustrated by the diagram, on page 74. A comparison of this diagram with the one on the opposite page, will likewise convey a distinct impression of the rate of increase in the amount of annual sickness experienced as the value of life declines. These diagrams also exhibit, in a very striking manner, the character and extent of the errors of the elder actuaries, and further illustrate the observations on this subject in page 50.

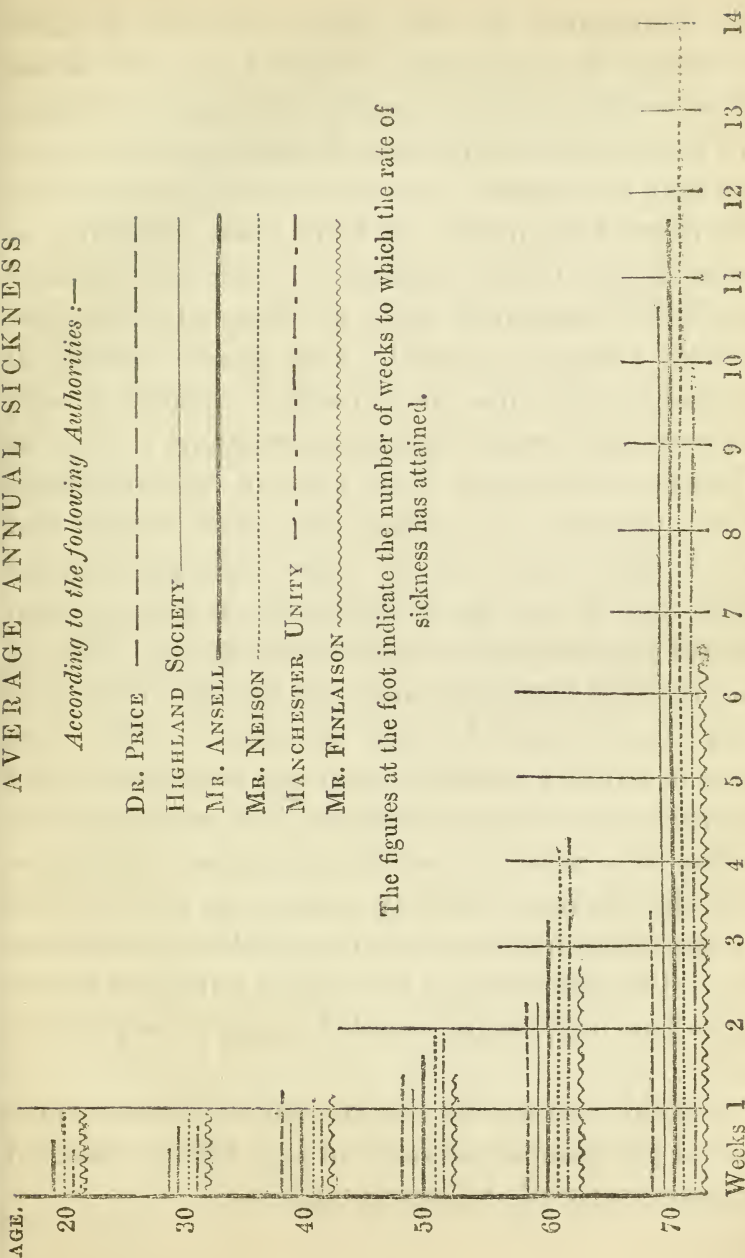


## AVERAGE ANNUAL SICKNESS

*According to the following Authorities:—*

DR. PRICE	---
HIGHLAND SOCIETY	—
MR. ANSELL	----
MR. NEISON	.....
MANCHESTER UNITY	----
MR. FINLAISON	~~~~~

The figures at the foot indicate the number of weeks to which the rate of sickness has attained.



At 80, Neison nearly 27 weeks; Manchester Unity, 20; Finlaison, 14; others, no data.

The importance of the facts exhibited in these tables cannot be too strongly impressed upon the minds of all interested in the prosperity of Friendly Societies. It will be seen that an individual entering at the age of twenty may be expected to continue the payment of his contributions for upwards of forty years, according to the Manchester Unity experience; while one initiated at age forty commences with an expectation of little more than twenty-six years! The person entering at twenty brings with him an immediate liability of only rather over half a week's sickness per annum; while he who joins the society at forty years of age commences with the prospect of claiming for about double that amount. Yet many of the elder societies admitted members up to the age of thirty-five or forty without additional contribution or larger initiation fee. This, of course, resulted from ignorance, and the best interests of the club were ruined by such procedure. That some increase in liability attended upon age became at length so apparent, that higher initiation fees were adopted; but these were always insufficient: indeed, the magnitude of the increased liability seems even yet to be but very imperfectly understood by the members of numerous bodies. The difference in the results published by the actuaries has unfortunately tended to fortify the previous error.

The rapid increase in the amount of sickness experienced as the members advance in age, will be rendered more apparent by the following table:—



TABLE No. III.

AVERAGE SICKNESS EXPERIENCED DURING EACH DECENNIAL PERIOD  
FROM 20 TO 80 YEARS, EXPRESSED IN WEEKS AND DAYS.

Age.	Mr. Ansell.	Mr. Neison.	ManchesterUnity
	Wks. Days. Hrs.	Wks. Days. Hrs.	Wks. Days. Hrs.
From 20 to 30.....	8 0 10	8 5 0	7 0 7
„ 30 to 40.....	9 3 18	9 6 9	9 0 7
„ 40 to 50.....	13 2 18	14 5 14	13 5 4
„ 50 to 60.....	22 3 22	27 0 14	27 1 13
Total from 20 to 60..	53 3 20	60 3 11	57 0 7
From 60 to 70.....	58 5 0	77 2 2	61 5 8
Total from 20 to 70..	112 1 20	137 5 13	118 5 15
From 70 to 80.....	No data.	205 2 11	141 3 14
Total from 20 to 80..	..	343 1 0	260 2 5

A careful investigation must demonstrate to the most sincere advocate of “things as they are,” the folly of the conclusion, that because a society has contrived to meet all its demands and to save a little money, during the earlier portion of its existence, it is necessarily in a solvent position. A *much larger sum* than is generally imagined, as I shall show in another chapter, is required to be placed out at interest during the earlier period of membership, if the heavy claims for sickness, which past experience shows may be expected after the recipients have reached the age of sixty years, are to be faithfully liquidated.

It will be seen that according to the experience of Mr. Neison, the total average amount of sickness, between the age of twenty and that of sixty [*a period of forty years*], is sixty weeks, three days, and eleven hours ; while between sixty and seventy [*a period of only ten years*], it is seventy-seven weeks, two days, and two hours ! In other words, there is on the average less sickness experienced during the first forty years after manhood than in the ten years between sixty and seventy !

The Manchester Unity experience, notwithstanding the slight difference in the results, attests the truth of this principle of increased liability. It shows four weeks, five days, and one hour more sickness in the latter ten years than in the preceding forty !!

Mr. Ansell's experience corroborates the principle, and shows five weeks, one day, and four hours more sickness in the latter period of ten years than in the preceding forty !!

Again, Mr. Neison's data give, from twenty to seventy, an average sickness, of 137 weeks, five days, and thirteen hours ; and from seventy to eighty, of 205 weeks, two days, and eleven hours, an increase during the latter TEN years over the preceding FIFTY, of sixty-seven weeks, three days, and twenty-two hours !!!

This, like the preceding, is corroborated by the experience of the Manchester Unity, the increase during the latter TEN years over the previous FIFTY, being twenty-two weeks, four days, and eleven hours !

At eighty, according to Mr. Neison's experience, the

sickness reached the enormous rate of nearly twenty-seven weeks to each living member on the average during the year!

It is true that the Foresters' data, as well as Mr. Finlaison's, show a smaller amount of sickness at the more advanced ages; yet the principle or law of increased liability is equally indicated. One, perhaps the chief, cause of this variation I have already referred to. The limited number of lives at the higher ages which the Foresters' data included, renders the results of little value. Indeed, Mr. Watkins very judiciously concludes his expectation of life table at age 48, and that showing the annual average sickness at 70. In another chapter the inexpediency of assuring a "sick" allowance, under any circumstances, after the age of 65 or 70, will be further enforced.

## CHAPTER IV.

## DANGER OF INSOLVENCY.

THE facts presented by the preceding epitome of the progress of Vital Statistical Science are of the utmost importance, and demand the serious consideration of the members and patrons of all Friendly Societies. They exhibit the folly of attempting to legislate financially upon matters of insurance without the assistance or advice of persons competent to make the necessary calculations. The errors of the past may, nay, ought to be, forgiven, on account of the difficulties which impeded the attempt to acquire sound information. But henceforth, as education on the question advances, this plea will not be admitted.

The necessary conditions to ensure solvency to these institutions are yearly becoming better understood, both by actuaries and the more reflective portion of the general community. It is highly probable that in a comparatively short time, the laws of finance, as applicable to the wants of the provident working-men's Insurance Societies, will become as well known and as clearly defined as the doctrines of most other recognized science.

Having thus slightly sketched the history of the working-men's provident institutions, and exhibited the



additions which have been made from time to time to the stock of statistical information relative to the subject, I will now examine the present position of some of these societies, and test their solvency by the laws dictated by their own past experience.

It is notorious that lodges belonging to the affiliated Orders or secret societies, as well as ordinary sick clubs, have been compelled to reduce the amount of their sick pay and funeral allowance, simply because the demands had augmented to such an extent that the most illiterate of the members could no longer conceal from themselves the gradual but rapid absorption of their reserved capital. Other branches or clubs have broken up, and divided among the disappointed members the remnant of their once seemingly heavy accumulated fund. Many old and deserving men, who, through the best portion of their lives, subscribed to a society, have been thrown into the parish workhouse, or compelled to subsist upon the charity of friends or relatives, because the institution which had fed their provident hopes had crumbled beneath their feet at the very moment when they expected to reap the fruit of their commendable forethought. These are by no means uncommon occurrences, but matters of every-day experience.

Mr. Barlow, of Birmingham, in his evidence before the select committee of the House of Commons, in 1849, presented some important statistical information on this subject. His figures had reference to cases then existing in the Birmingham Workhouse, and in that of the Alresford and Winchester Union. I ex-

tract the following most significant facts from this document :—

“ Out of 120 inmates of the Birmingham Workhouse, excluding the young able-bodied labourers, *SIXTY had belonged to clubs which had broken up!* Out of sixteen bedridden paupers, who had belonged to societies of one kind or another, *THIRTEEN received no benefits, because the funds of their respective clubs were exhausted!* Out of twenty-nine paupers in the Alresford and Winchester Union Workhouse, *TWENTY had belonged to societies which had broken up!* ”

Mr. Ansell, the actuary, has stated, that out of something like 4,000 SOCIETIES, whose affairs he had examined, *NOT ONE was in a perfectly sound financial position!*

Mr. Neison, after comparing the practice of the Manchester Unity with the results from his data, says :—

“ The inevitable dissolution of the Order of Odd Fellowship, under such circumstances, is certain. *Presuming that no change* in the contributions and benefits should take place, *and assuming the average age at admission to be 31*, which is near the truth, and taking the total number of members in the Manchester Unity at 400,000, a donation or gift of no less than £9,135,000 would be required to enable the Order to meet all its liabilities; and that is taking it for granted that the affairs of those societies are conducted with proper regard

economy, and the funds invested to yield at least per cent." \*

Mr. Neison afterwards adds, that the gist of his observations applies equally to Foresters, Rechabites, and other societies. It is true, these observations were published in 1845; that several of the assumed facts upon which they were based had no foundation in truth; that Mr. Neison's rates have been demonstrated by recent experience to be unnecessarily high; and that during the last fourteen years, contrary to the *presumption*, which forms a most important ingredient in the calculation, much improvement has been effected, and especially in the Manchester Unity. Yet still many branches are far from being in a sound position, and certain fundamental principles still demand recognition, independently altogether of the result of a present valuation, or the future prosperity of the whole Order cannot be predicted. If such be the case with regard to the Manchester Unity, what must be the condition of those clubs which have not effected the whole or any considerable portion of the improvements referred to?

What are these improvements? At Glasgow, in 1845, the annual committee of the Manchester Unity resolved that the subscriptions should be increased. Shortly afterwards, in many districts, the amount or duration of the sick and funeral benefits was considerably reduced. The expenses of management, and the fund for benevolent purposes and the minor assurances were

\* Contributions to Vital Statistics, p. 137, first edition.

separated from that which professed to provide for the sums assured during sickness and at death. The improvements came into pretty general operation in the Manchester Unity in 1847.

In 1853, the annual committee which assembled at Preston introduced graduated scales of payment according to age on entry, computed from the Manchester Unity experience. The Foresters shortly afterward adopted the principle; but, unfortunately, the bulk of the members were not sufficiently instructed to comprehend its value or necessity, and a relapse was the consequence. A considerable number of the branches, however, I am informed, voluntarily adhere to the improvement.

Mr. Neison's statement regarding the number of members belonging to the Manchester Unity is greatly in excess of the truth. Instead of 400,000, 250,000 would be much nearer the fact. No calculation was made by him of the amount of benefit accruing to the reserve fund from what are termed *lapsed policies*. That this, however, is an important element in the valuation of a Friendly Society's assets and liabilities, will be seen from the following extract from Mr. Ratcliffe's report on the financial position of the Preston district (1858):—

“If reference be made to the last number of the Magazine, it will be seen that during the last ten years no fewer than 69,307 members have left the society, being at the rate of an average of 2.6 per cent. per annum; and during the same period the deaths have



only been 26,500, or about 1·00 per cent. Such an amount of secession must, if this element be taken into calculation, very much reduce the value of the sick and funeral gift, and to a very great extent. We have not yet sufficient data of this kind to hazard any calculations thereon ; but Mr. Finlaison, in preparing some tables of payment for an annuity society, has taken in this element from the experience of Friendly Societies presented by him in his report to the Houses of Parliament. And to give you some guide as to how it does affect an annuity society, his calculations show that the present value of an annuity of £1 per annum, at the age of nineteen, to be received, if a person lives to sixty-five years of age, is 18s. 2½*d.* ; but when he takes in the element of secession, and on the assumption that in an annuity society one-third only would withdraw, the present value of the same annuity is only 9s. 6*d.*”

It will thus be seen that the future prospect of some of these societies is not by any means so threatening as was some years ago predicted ; yet even in the Manchester Unity much remains to be done before all its branches can be pronounced financially safe. But the spirit of inquiry is now abroad among the members ; and resolutions, ordering a valuation of the assets and liabilities of lodges, are of frequent occurrence. I have seen several of these. Many show a balance in favour of the assets ; but a much greater number a deficiency, more or less. Thus, from Mr. Ratcliffe’s report on the financial condition of the Preston district, three lodges show a surplus and seventeen a deficiency. The propor-

tion of solvent lodges I know to be much greater in the south-eastern portion of the kingdom than in the manufacturing districts. This arises chiefly from the circumstance that they were opened at a later period, when the knowledge of the general body had much increased. Taking the aggregate of the twenty lodges forming the Preston district, Mr. Ratcliffe's report shows that the present value of the liabilities amounts to £67,101 10s. 7d.; that of the assets to £56,434 4s. 6d.; leaving a deficiency of £10,667 6s. 1d. The members are now actively engaged in the preparation of a plan for the adjustment of this deficiency. Various other districts in connection with the Unity are similarly engaged. It is, however, to be regretted that many affiliated societies and ordinary sick clubs yet continue to follow the old and imperfect systems of finance, notwithstanding the palpable ruin to which such practice must lead. The following paragraph, which appeared in the *Preston Chronicle* of March 19, 1859, is significant of the position of many of these clubs; and it is to be hoped its publication will operate as a warning to others acting on similar principles of finance:—

“GRAND UNITED ORDER OF ODD FELLOWS, LEEDS UNITY.—The quarterly meeting of delegates from lodges in the Preston district took place on Saturday night last, at the George the Third Inn, Brook-street, when, after meeting the demands of the different lodges, which were rather unusually heavy through so many deaths, a resolution was read from the North Star Lodge, No. 213, requesting the committee to establish a separate

fund, to be called ‘The Embarrassed Lodge Fund,’ for the relief of any lodge or lodges whose sick funds may become exhausted through long runs of sickness. After considerable discussion on the subject, it was resolved, ‘That, through the vast amount of sickness at present to be met by the different lodges, this meeting considers it unwise to extract additional levies from either lodges or members.’”

A small handbill was given to me in Manchester during the present year (1859), in which the advantage of Friendly Society insurance is enforced, and the claims of the Independent United Order of Mechanics are submitted to the provident operative. It says:—

“The terms of membership are as follows:—Admission and registration money (for persons from eighteen to thirty-five years of age), *six shillings*, the payment of which entitles the individual and his wife to the *immediate* benefit of the funeral gift, which is, for the one *eight pounds*, and for the other *six pounds*. Persons above said age to pay an extra entrance fee. The monthly subscription is *one shilling*; the relief in time of sickness, if previously qualified, *nine shillings* per week; and when in search of employment, *one shilling and fourpence* per day.”

A very limited knowledge is sufficient to detect in this financial scheme the seeds of future insolvency; the rates are so palpably inadequate to the benefits promised.

It is impossible that I can examine the condition of every class of Friendly Society. One or two instances, among the apparently more flourishing, will serve to

demonstrate my position as well as one hundred. It is no part of my purpose to recommend any one society in preference to another. I will, therefore, begin at home, simply premising that since the following calculations were made considerable improvements have been effected, and that the society was at the time a fair average of its class. As the data were collected and classified by myself, under the sanction of the quarterly committee of the district, I can therefore vouch for their accuracy. These data were collected in 1850, and a valuation made by Mr. Ratcliffe, in accordance with the conditions mentioned. The result does not apply to the Preston district at the present time, as will be inferred from my previous observations; but it is still a faithful example of the condition of many societies which have not yet been induced to amend their financial laws.

The Preston district of the Manchester Unity, at the time the returns were made out, consisted of twenty-four lodges, numbering 1,977 members, of whom two and nine-tenths per cent. were not entitled to benefits: 1,396, or about seventy and six-tenths, were married. The reserve fund amounted to between £6,000 and £7,000, or £3. 4s. 6¼d. per member. The average age was under thirty-five years.

According to the valuation of Mr. Henry Ratcliffe, the actuary to the Manchester Unity, from the experience of that body, for the assurance to the whole of the members of the sum of 8s. per week during sickness till the age of seventy, and after that period a permanent annuity of 2s. 6d. per week, in lieu of sick



allowance, together with £10 at the death of a member and £7 on the death of a member's wife,—the sum of £60,013. 19s. 7d., present value, would be required; that is, the whole of the liabilities are equivalent to this amount and all future interest which would accrue from it. The present value of the assets—reserved fund and future subscriptions included—was only £36,133. 0s. 2d. The district therefore stood, financially, thus:—

The probable liability equal to ...	£60,013	19	7
The probable assets equal to .....	36,133	0	2
	<hr/>		
Deficiency.....	£23,880	19	5
	<hr/>		

It will thus appear, that although between £6,000 and £7,000 had been accumulated, with the then rate of subscription the district could not fulfil the promises held out to the whole of its members, but that a deficiency equal to a present value sum of £23,880. 19s. 5d. would result, providing the operations of the society could be continued on credit to the close of the whole of the lives. If the first claimants continued for some time to receive full benefits, without an advance in the rates of contribution, the remainder, and largest subscribers to the fund, would but too certainly discover the provision which they had honourably endeavoured to secure for themselves and families in the hour of affliction to be a vain and delusive dream—another instance of integrity of purpose and wise determination frustrated by the want of practical knowledge.

The Preston district does not *now* promise the sums

mentioned above; but it once did more, and for a smaller subscription. They promised at the time sufficiently near the value of those given as an example, upon the honest computation of Mr. Ratcliffe himself, to answer all the purposes of this investigation. The reduced benefits are as follows:—10*s.* per week for sickness during the whole life, with the condition that after every continued indisposition of twelve months' duration the amount shall be reduced one-half; and after two years' consecutive sickness to 2*s.* 6*d.* for however long the inability to labour may continue. When a member has ceased to claim for twelve months, he becomes again entitled to full pay.

As neither Mr. Ratcliffe nor any other actuary had at the time calculated the value of annuities for these periodical reductions in the amount of sick allowance, a medium average of 8*s.* per week was taken. The annuity of 2*s.* 6*d.* per week in place of sick pay after the seventieth year was preferred, on account of the enormous rate of sickness experienced during the latter period of life, and the fluctuations in the results from the various data.

From Mr. Ratcliffe's valuation of the same district in 1859 (after the introduction of the graduated scales), it appears that the reduction in the rate of sick allowance is more than an equivalent to the 2*s.* deducted from the original permanent rate of 10*s.* per week, and that, consequently, the real deficit was less than the apparent one. As an example of the insecurity of a society in the condition stated, its value is, nevertheless, unimpaired from this circumstance. All the members at the time referred

to paid *one shilling and eightpence* per month, and a much heavier graduated initiation fee than the members of the Mechanics' Lodge previously referred to. It commenced with 12s. at eighteen, and rose to £4. 10s. at thirty-six.\* The utter inadequacy of the rates in such societies is thus clearly demonstrated.

As there may be many members not sufficiently acquainted with vital statistical science to clearly comprehend the nature of an actuary's valuation of assets and liabilities, I will endeavour to present it in a still plainer form. The following rough calculation, in round numbers, of the probable payments and benefits of that portion of the members whose ages ranged between forty-five and sixty-five years, will, I think, be sufficiently comprehensible to any ordinary mind, and satisfy the most sceptical of the necessity of immediate revision.

It will be remembered that the district consisted of twenty-four lodges, numbering in the aggregate 1,977 members. The reserve fund amounted to between £6,000 and £7,000. Now, there were 284 members between the ages mentioned—that is, between forty-five and sixty-five years. Their funeral money alone would amount to £2,840, and that of their wives, according to the average of the district, may be set down at about £700. Thus, the mortality-claims of these 284 members amount to £3,540, or more than one-half of the reserved fund. Their total liabilities, including sickness, &c., according

\* The members had not always paid these rates, or the reserved fund would have been much larger in amount.

to the experience of the Manchester Unity itself, amounts to about £11,000, or nearly double the amount of the present reserved fund! The total value, according to the same experience, of their future contributions, is rather more than £3,200, or nearly £300 less than their funeral liability alone! *Their future contributions, added to the whole of the present reserved fund, amounts to about £9,000, or between £1,000 or £2,000 less than their liabilities!* It must be apparent that these 284 of the oldest members would alone, in a very few years, exhaust every shilling of the accumulated capital, without the remaining 1,693 touching one farthing of it! If it were possible to carry on the operations of the society *with the then rate of contributions* (and too many of those initiated previous to August, 1853, still pay no more), the district ought to have been in possession of about £31,000 instead of £7,000! The account would then have stood thus in round numbers:—

Present value of probable liability .....	£60,000
Do future subscriptions. £29,000	
Do reserved fund.....	31,000
	———— £60,000
Deficiency.....	£0,000
	————

As it is, the deficiency is nearly £24,000 against a total liability of £60,000! If the whole of the members were to be equally dealt with, each recipient ought for the future to be paid only a dividend of about 12s. in the pound upon the engagements. Yet this district was



at the time even by no means regarded amongst Odd Fellows or the members of other Friendly Societies as a poor one. It must be remembered the average age was under thirty-five years; and the reserved fund, which was still increasing when the above calculations were made, amounted to £3. 4s. 6 $\frac{1}{4}$ d. per member.

Further. Calculations made by myself from the returns of the Preston District Sick Union, extending over the experience of between 1,300 and 1,400 members, present the following important results:—

Year.	Average Sickness per Member.	Average Expense per Member.
1848- 9	6 days 9 tenths	s. d. 10 1 $\frac{3}{4}$
1849-50	7 „ 7 „	10 9 $\frac{3}{4}$
1850- 1	8 „ 8 „	12 8 $\frac{3}{4}$
1851- 2	9 „ 0 „	12 9 $\frac{1}{2}$

In 1851 I thought it desirable to ascertain how near the results of our own practice with regard to sickness approximated to the averages attained by actuaries from large experience, and thus test their applicability to a single society of tolerably large numbers. Being at that time in possession of the ages of all the members, I calculated their probable liability according to the tables compiled by Mr. Ratcliffe, from the experience in the Manchester Unity, and likewise from those published by

Mr. Neison, from the experience of Friendly Societies in England and Wales.

According to Mr. Ratcliffe's data, the probable average amount of sickness, exclusive of Sundays, as in the above table, was rather more than seven days each member, and according to Mr. Neison, eight days and about a quarter. The mean result between the two middle years in the table presented about the corresponding period with respect to age. This mean experience is about eight days and three-tenths, or nearly one day and three-tenths more than the Manchester Unity results; and only about one-tenth of a day per member less than those published by Mr. Neison. When it is considered that the two investigations did not present *precisely similar conditions*, this must be acknowledged to be a sufficient confirmation of the truth of the general position to demand the serious consideration of all parties interested.

It will be seen by the table that, notwithstanding the continual introduction of new members, whose ages are below the average, the liabilities on the whole increase each year. In 1851 I found the sum of 4s. per member had been required to meet the funeral demands. This, added to the 12s. 8 $\frac{3}{4}$ d. for sickness, makes the total expenditure for these items about 16s. 8 $\frac{3}{4}$ d. per member. The annual subscriptions to *these funds* being only 17s. 4d. per annum, it is evident that 7 $\frac{1}{4}$ d. per member was the whole amount added to the reserve stock that year. True, the sickness at the time was, perhaps, *rather* above the average expectation,

but it did not *decrease the following year*, but maintained the rate with an additional three farthings per man, notwithstanding another large introduction of young members!

When it is remembered, as I have shown in a previous chapter, that, according to the results of each experience, whether computed by Mr. Ratcliffe, Mr. Neison, or Mr. Ansell, the average aggregate sickness from twenty to sixty years of age is less than that experienced during the following ten years; that the total liability from twenty to seventy is still less than that between seventy and eighty, and that the average age of the members of the Preston district at the time the above calculations were made was under thirty-five years, the utter incompetency of the rate of contribution charged by many clubs must be flagrantly apparent to every candid mind.

I have given the financial prospects not of a single lodge or club, but of an aggregate of twenty-four lodges, forming one district, and taken without selection. Individual societies of small numbers will, I am aware, vary much in their experience, and can, consequently, prove little, except the impossibility of obtaining average results without an extended basis for operations. These variations will form the subject of a future chapter.

I could quote many other instances, but the above is sufficient to prove the existence of the evil to which I allude to an alarming extent. Surely the most uneducated working man, with these facts before his eyes, cannot but regard those who, in a kindly spirit, point

out such a deplorable state of things, before it is too late for improvement, as the truest friends both to himself and his favourite provident institution. But before we can hope for the energetic application of the necessary remedies, the parties most interested, being their own legislators, must, I am well aware, become thoroughly convinced of the virulent character of the disease which has prostrated many, and beneath whose slow but unerring action still more are gradually sinking.

It is necessary that I should impress upon the minds of the members of every class of Friendly Society that the above investigations were not entered into by a professional actuary for the purpose of demonstrating to the world the insolvent position of one society with the view to the recommendation of a rival, nor with the object of sustaining any preconceived theory or dogma whatever. I have shown that the figures no longer apply to the Preston district, owing to subsequent improvements. The returns were sent in by the various lodges, at the request of their quarterly committee, a resolution to the effect being unanimously adopted, at my own suggestion, during the period I occupied the office of Provincial Grand Master. The whole of the calculations were made by myself and the corresponding secretary and actuary to the Manchester Unity. Our object was simply to arrive at a knowledge of the truth. We should have been infinitely more gratified had the figures demonstrated the practicability of the society paying a bonus on each amount promised, and I have no doubt the whole of the members would have received



such an announcement with far more enthusiasm than the unpalatable fact. Yet there is no more valuable commodity, either in business or philosophy, than a single important TRUTH. The priceless gem, however un-  
gainly it may be set amongst our long-cherished prejudices, we are at last in possession of. Let us therefore be of good heart. A great genius has said that "the lessons of humiliation and blunder are worth a thousand masters." The dictates of common sense and moral principle alike demand that we should investigate calmly the causes of past error, and regulate our future proceedings in accordance with our improved knowledge of the operation of natural law. No ignorance of ours, either wilful or blind, can stultify a fact. But if we boldly look the evil in the face, I, for one, fear not that patient labour and integrity of purpose will eventually accomplish all that is desired.

## CHAPTER V.

## CONDITIONS OF SECURITY.

## 1.—AVERAGE LIABILITY.

HAVING demonstrated the errors of those false systems of finance which must eventually, if persevered in, destroy the great majority of provident institutions, it now becomes my agreeable duty to point out the means for securing their future reliability. The principles of life and health assurance, as adapted to the requirements of Friendly Societies, I will endeavour to define in as concise, popular, and complete a form as circumstances will permit.

In the first place, the rates of contribution for the assurance of any specified benefit must be determined from a knowledge of AVERAGE LIABILITY, and not by BENEVOLENT IMPULSE or capricious and fortuitous legislation.

Secondly.—If these institutions are to be founded upon *equitable* as well as upon *secure* principles, the rates of monthly or other payment for each benefit promised must be GRADUATED in accordance with *the age of the members at the time of entrance*, or an EQUIVALENT *initiation fee* must be paid, to compensate for *equality of periodical contribution*.

Thirdly.—The NUMBER OF MEMBERS over which the joint liability extends must, not in name only, but *de facto* be sufficiently large to ensure a reasonable approximation to a working average of liability.

Fourthly.—LEGISLATIVE PROTECTION to the funds, and their regular and JUDICIOUS INVESTMENT.

Fifthly.—A quinquennial or other PERIODICAL REVISION or investigation of the state of the assets and the liabilities, with a view to the adjustment of any irregularity which the preceding conditions may have failed to provide for.

The whole of these conditions are indispensably necessary to *ensure* stability. I will discuss them *seriatim*, and illustrate their practical application.

First.—*The rates of contribution for the assurance of any specified benefit must be determined from a knowledge of AVERAGE LIABILITY, and not by benevolent impulse, or capricious and fortuitous legislation.*

I will endeavour to explain, in as popular a manner as possible, what the actuaries mean by *average liability*; for this is the solid basis upon which vital statistical science is built, and the foundation of all insurance.

No *individual* man can tell, at any given age, how many years he will continue to live; but by the assistance of sufficiently correct and extensive data, it is now an undisputed fact in the scientific world, that the average duration of the lives of 10,000 healthy men can be ascertained with sufficient exactness to meet all the requirements of an insurance office or Friendly Society. Let us examine the Expectation of Life Table, at p. 73.

We find, according to the experience of Friendly Societies in England and Wales, computed by Mr Neison, the average value of life at the age of twenty was forty-three years and rather more than seven-tenths; or, in other words, the data entrusted to Mr. Neison indicated that such *had been* the fact. The Manchester Unity returns give the expectation, at the same age, as forty-one years, within a very small fraction. The experience of the whole population, from the Fifth Report of the Registrar-General, indicates the average duration of life at the age of twenty as 39·88, or nearly forty years. At forty years of age the expectation is as follows:—Friendly Societies (Mr. Neison), twenty-nine years and three-tenths; whole population, twenty-six years and five-tenths; Manchester Unity, twenty-six years and four-tenths.

These results, from data supplied under various circumstances and from distinct sources, present so remarkable an approximation to each other, that the most sceptical must pause ere he reject the truth of the general principle insisted upon—namely, that it *is possible* to arrive at a knowledge of the average expectation of life sufficiently near for the practical operations of a Friendly Society or Insurance Company.

On a reference to Table No. 1, on page 72, a similar principle of average liability to sickness will be found to be equally clearly indicated.

I will endeavour to illustrate the practical value of this knowledge.

In order to assure the payment of any given sum at the



death of a member, it is necessary that the periodical contribution during the whole of the life, and set aside specially for this purpose, should, on the average, with interest, be equivalent to the sum assured.

The rate of contribution for a given stipend during inability to follow employment in consequence of sickness can with equal certainty be determined. When an actuary knows the age of a candidate for membership, his table of sickness will inform him what is the average amount experienced from that period until death, or to any other age, as may be agreed upon. The amount of liability on the club for this item is thus discovered. The Expectation of Life Table furnishes the period over which the contributions may be anticipated to extend. The total in-payments, with interest, must be equivalent to the ascertained liability. Its after division into yearly, monthly, or fortnightly payments is merely a question of common arithmetic.

It is perfectly correct that the duration of no one individual member's life may accord with this calculation. It is this very *individual uncertainty* that creates the necessity for Friendly Societies and Insurance Companies. No man can foresee at the time of his initiation what will be the amount of *his* claims upon the fund. It may be more or less than the anticipated probability. But this matters not to the society, for if correct *average rates* have been once ascertained, and the whole of the necessary conditions attended to, the fluctuations on the favourable side of the question will balance those of an opposite character.

There is the fullest and most complete justice in all this. There is no pauperism or even charity in it. Independence in its truest sense is preserved and maintained by the reception of benefits, whatever amount may unfortunately be required, when procured under these conditions. If a society could foresee that a person applying for initiation would eventually prove in technical phraseology a "bad life," he would, of course, be refused admission. On the other hand, if the party proposing were competent to predict with certainty that his life would prove a long and a healthy one, it would evidently become his interest to decline entering into any society of the kind, but he would, instead, periodically invest the amount of his proposed subscription in the Savings Bank, or some other good and profitable security. But as it is *impossible* to foresee these things, prudence and forethought dictate a union of interests, so that under the worst of circumstances, as under the best, a certain provision for the future may be confidently relied upon.

The insurance principle, based upon a knowledge of average liability, may, perhaps, be more clearly comprehended by some of the members when further contrasted with that upon which another provident institution is founded. I allude to the Savings Bank. Here each individual depends entirely upon his own exertions, and the amount he may be enabled to deposit will depend materially upon his comparative freedom from sickness or otherwise. He may be fortunate, and save a considerable sum in a few years, which, in addition to the interest,

is exclusively his own property; or he may be unfortunate, and during the most critical period of his life, his provident store may fail him. Here there is no joint risk. On the contrary, in a Friendly Society or Insurance Club, the money deposited is the property of the society, the body corporate undertaking to provide certain pecuniary aid to each member in proportion to the duration of his affliction, and without reference to the amount individually contributed. Thus, however justly we may commend the prudent economy of those who deposit a portion of their earnings in the Savings Bank, still the great practical value of the Insurance principle remains unimpaired. The Friendly Society and the Savings Bank are not rival institutions, but faithful allies, working in a somewhat different direction, for the attainment of a common object,—the development of provident forethought and self-reliance amongst the operative population of the country.

A knowledge of average liability can only be attained by a careful analysis of the experience of the past. This experience, too, must be *complete*, not *partial*. That is to say, it must have been sufficiently large in quantity, and sufficiently comprehensive, to include the full period of human life; otherwise, we may be unwittingly led into the commission of grave and serious errors. Isolated facts, when regarded in any other light than as portions of a great integral, may as easily deceive as enlighten the human understanding. The absence of a clear perception of this truth has been the fruitful source of many errors in the construction of the laws relative to finance amongst

Friendly Societies. The legislators in too many instances have deliberated and decided upon incomplete and ill-understood evidence. In this they may have incurred no moral culpability, but they have not been the less misled from the purity of their motives. A reference to the Table of Sickness, at page 72, will demonstrate the inadequacy of *limited* experience to test the stability of any Friendly Society's financial constitution. The annual average expectation is less than one week's sickness per member until nearly the age of forty. The gradual increase is very slight indeed until after the latter period of life. Any calculation, therefore, from the experience of a society the bulk of whose members are under forty, or even fifty, years of age, can in no reasonable degree indicate the liability for the future. A single glance at Table No. 3 will clearly prove the truth of this position. It will be seen there that, according to the experience of all the actuaries, the claims in the TEN years after sixty are greater than during the preceding FORTY years; *yet the periodical contribution remains the same!* During the TEN years between seventy and eighty *more money is required* to meet the demand for sickness than during the whole FIFTY preceding years; *but there is no advance in the rate of contribution!* It will be seen that, according to Mr. Neison's data, the average yearly expense per member, till near the age of forty, is less than one week's sick pay; at sixty it has increased about *five-fold*; at seventy it has accumulated to about *seventeen-fold*; at eighty the demands have increased THIRTY-fold over the



earlier periods of life ! *Yet the contributions still remain at the original rate !*

I have often heard very "loud cheers" in a young society when the secretary, in reading over "the accounts and minutes of the evening," has announced a pound or two as the "balance in favour of the lodge" from the past fortnight's transactions ; yea, I have heard a pretty fair cheer when the sum thus innocently supposed to be gained has amounted to no more than a few shillings. I need scarcely say that the possession of the knowledge contained in the table last referred to has rendered these exhibitions productive of anything but rejoicing to my mind.

Any mere statement of current receipts and expenditure extending even over a limited period of years, however gratifying it may appear at first sight, is, nevertheless, delusive when relied on as a standard for future requirements. The engagements of a society with its members extend over the *whole of their lives*. The amount of liability for the *entire period* must, therefore, regulate the amount of periodical subscription. As an equal rate is adopted over every year of life, it must be now self-evident that a large proportion of the earlier payments ought to be reserved, and accumulate by compound interest, in order to meet the future increased liability.

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## CHAPTER VI.

### CONDITIONS OF SECURITY.

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#### 2.—GRADUATED RATES OF CONTRIBUTION.

THE second proposition or law deduced from the experience of the past, is:—

*If these institutions are to be founded upon equitable as well as upon secure principles, the rates of monthly or other payment for each benefit promised must be GRADUATED in accordance with the ages of the members at the time of entrance, or an EQUIVALENT INITIATION FEE must be paid, to compensate for EQUALITY OF PERIODICAL CONTRIBUTION.*

The neglect, or rather the non-comprehension of the necessity of, this graduated rate of premium, has proved one of the most fruitful sources of the present and prospective pecuniary difficulties of Friendly Societies. It is true that the soundness of the proposition as an abstract principle has to some extent been practically acknowledged in many societies by the adoption of increasing rates of entrance fees. Yet these have generally been computed without any reference to the *actual amount of difference in liability* entailed upon the funds by members joining at the advanced ages. That there

did exist a difference was felt and acknowledged by a majority of the more reflecting members, but to what extent remained a mystery to the legislative committees. In every instance within my knowledge the entrance fees adopted by this capricious or fortuitous legislation have been inadequate to the compensation of anything like the increased risk. The exact amount of this extra payment can only be ascertained by sound calculation, based upon the results of past experience, and it must be commensurate to the increased liability, or the insurance degenerates into a mere gambling uncertainty, if not a positive fraud upon those who join such an institution in the earlier years of their manhood.

In order to illustrate the operation of the natural law which demands this modification of rates, it will be necessary first to refer to the Table No. 2, on page 73. It is there clearly indicated, according to the experience of the Manchester Unity, that persons admitted at age twenty live, on the average, about forty years; those entering at thirty live nearly thirty-four years; those at forty, nearly twenty-seven years; those at fifty, nearly nineteen years and a half; those at sixty, rather more than thirteen years; those at seventy, about nine years; and those at eighty not quite five years.

Now, to ensure any given sum at death—say, for example, £20—it must appear, even to the most unlettered mind, an act of utter injustice that parties commencing to subscribe for this assurance at the age of twenty, and whose contributions, on the average, will extend over a period of forty years, should be required

to pay the same amount weekly or monthly to secure this sum as those who enter at fifty years of age, and whose contributions on the average *are not continued for quite one-half the same period!* Under such a system the younger class pay for a similar assurance *more than double the amount* of the elder, to say nothing of the additional interest gained to the funds by the long investment of their earlier payments; and yet those who are acquainted with the accumulative power of compound interest know this to be a most formidable item in the account!

A reference to the tables of any life assurance company will demonstrate distinctly both the necessity of, and the equitable difference in, the rates of annual or quarterly premium, for the assurance of the sum of £100 at death. The principle, of course, is just the same, and equally indispensable, whether the amount be £10 or £10,000; whether the subscriptions be paid yearly, quarterly, monthly, or weekly.

The following rates, extracted from the tables of the “Industrial and General Life Assurance and Deposit Company,” illustrate the subject under consideration in two or three different forms:—



QUARTERLY PREMIUMS TO INSURE ONE HUNDRED  
POUNDS AT DEATH.

Age at com- mencement.	Quarterly Premiums.		Age at com- mencement.	Quarterly Premiums.	
	s.	d.		£	s. d.
20	9	10	50	1	3 3
25	11	0	55	1	8 6
30	12	5	60	1	15 8
35	14	2	65	2	5 6
40	16	5	70	2	19 6
45	19	4			

If the subscriber commence when twenty years of age, *nine shillings and tenpence* per quarter only is required. But if he commence at forty-five years of age, not nine shillings and tenpence, but *nineteen shillings and fourpence*, is justly demanded; and at seventy the equitable contribution has increased to the sum of £2. 19s. 6d. per quarter.

SINGLE PREMIUM TO INSURE ONE HUNDRED POUNDS  
AT DEATH.

Age at time of Assurance.	Single Premium.			Age at time of Assurance.	Single Premium.		
	£	s.	d.		£	s.	d.
20	36	12	4	40	49	13	11
25	39	9	3	50	58	15	7
30	42	8	10	60	69	5	8
35	45	16	6	70	80	0	6

If an individual will pay down the sum of £36. 12s. 4d. when at the age of twenty, that sum and its compound interest is sufficient to realise, on the average, £100 at death, and a fair profit for management. But if he commence at forty years of age, the sum required to be paid down amounts to £49. 13s. 11d.; while if he waits until he has reached his seventieth year before he effects the insurance, the sum of £80. 0s. 6d. will be demanded with perfect equity.

A QUARTERLY PAYMENT OF ONE SHILLING WILL  
INSURE THE FOLLOWING SUMS AT DEATH.

If commencing at Age	Sum at Death.			If commencing at Age	Sum at Death.		
	£.	s.	d.		£.	s.	d.
20	11	12	6	45	5	18	0
25	10	7	0	50	4	18	0
30	9	4	0	60	3	4	0
35	8	1	6	70	1	18	0
40	6	19	0				

As Friendly Societies have hitherto almost always acted upon the principle of demanding an equal periodical contribution from all members, and paying out an equal benefit, the above table must present facts of the gravest importance to those interested in their welfare. If they are still determined to charge all members a similar rate of contribution for a funeral allowance, irrespective of age on entrance, that allowance ought, in common justice, gradually to *diminish* in the proportion

shown in this table. The representatives of the man who commenced his payments at twenty years of age, ought to receive £11. 12s. 6d. on his death; while those of the member who entered at forty are equitably entitled to no more than £6. 19s. If the subscription commenced at seventy years of age, the sum of £1. 18s. only could be safely promised to the party assuring.

A reference to Tables Nos. 1 and 3, pp. 72 and 77, will demonstrate that the sickness portion of the business even more imperatively demands a graduated scale of in-payments than life assurance.

From the age of twenty to forty the average sickness is considerably below one week per member per annum. The contribution to this branch of the insurance, in some of the districts of the Manchester Unity, is about double the amount of the value of the liability for the period. About one-half is therefore placed at interest, to meet the increasing demands incident to a more advanced period of life.

From forty to sixty years of age, the average sickness, according to the Manchester Unity experience, is about two weeks per member per year. Therefore the average of individuals entering at forty receive nearly *three times* as much sick allowance, during the twenty years after initiation, as those introduced at twenty; and besides they have an extra chance of living beyond the age of sixty, when the claims upon the sick fund become enormously increased!

About the age of forty the members of many Friendly Societies commence receiving, on the average, the whole

of the money contributed for sickness during the year, on the system of finance generally pursued up to a very recent period. Tables Nos. 1 and 3 show that the sickness continues rapidly to augment in a kind of compound progression, yet the rates of in-payment are unchanged. The extra contributions of the younger members are, therefore, swallowed up by the increased and increasing demands of the elder, *instead of remaining out at interest to meet the claims of the CONTRIBUTORS in after life!* In a few years the society, of course, is destroyed, and *those who have contributed the LONGEST and received the LEAST from the funds* are thrown in old age upon their own resources, and too often, it is to be feared, into the parish workhouse.

I find that, previously to the alteration in the financial laws, in 1853, in the Preston district of the Manchester Unity, the members who entered between eighteen and twenty paid nearly sufficient to meet their liability. According to Mr. Henry Ratcliffe's calculation, the eightpence per fortnight, paid to the sick and funeral fund exclusively, without any tax for working expenses, is equal to a present value sum of £19. 4s. 8d., while the average liability is but £20. 7s. 4d. The then initiation fee of 12s. produced about the amount required. But the present value of the future contributions of a member joining between thirty-five and forty was but £14. 13s. 11d., while the liability is increased to a similar present value equivalent of £31. 5s. 2d.: a difference of £16. 11s. 3d., to meet which, not only the old equal initiation fee, one guinea,



or the still later graduated one of £4. 10s., with contributions for each year above thirty-five, is of course altogether inadequate.

From these facts the members of the Manchester Unity may judge of the value of the financial improvements adopted by the annual committee assembled at Preston in 1853. Members of other societies less advanced would do well to carefully ponder over the matter, and in this respect at least, as soon as possible, follow in their footsteps.

I have stated that for some time past the truth of the principle of graduated rates of contribution, according to age on entrance, had been partially acknowledged in many societies, but that the *precise difference* in the liabilities was little understood. The rates of contribution have generally remained equal, and a graduated initiation fee been adopted for the purpose of compensating the society for the additional risk. With very few exceptions, however, the amount of these initiation charges has been dictated by simple caprice, and is altogether inadequate to its purpose. The paying down the difference in one sum, on entrance, or the spreading equally over the whole period of contribution, is a simple matter of convenience, and can with safety be modified according to the wishes or circumstances of the subscribers; but, as the question is one of pure finance, and not of philanthropy, of course the proper *amount* ought to be ascertained by calculation, and rigidly demanded in either one form or the other.

With the view to the acquirement of something like

positive knowledge of the relative values of the different classes of Friendly-Society Assurance, at various ages, the following table, compiled by Mr. Henry Ratcliffe, from the experience of the Manchester Unity, may be consulted with advantage:—

### AMOUNT OF CONTRIBUTION

To be paid per annum, for a Sick Allowance of 10s. per week, to be continued till 70 years of age, and an Annuity of £6. 10s. per annum after that period; contributions for both to cease on the person assured arriving at the age of 70. Also, the AMOUNT OF CONTRIBUTION payable through the whole life to secure the sum of £10 on the death of the assured. Monthly Payments. Interest at the rate of 3 per cent. per annum. Average of rural, town, and city districts combined.

Age on Entrance.	Sickness, 10s. per week till 70.			Annuity, 2s. 6d. per week after 70.			Life Assurance, £10 at Death.			Total Payment per annum.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
20	0	13	11½	0	3	6½	0	3	1½	1	0	7½
25	0	16	0	0	4	4	0	3	6½	1	3	10½
30	0	18	4½	0	5	8½	0	3	11½	1	8	0½
35	1	1	5½	0	7	7	0	4	9½	1	13	10
40	1	5	7½	0	10	0	0	5	7½	2	1	2½
45	1	10	11½	0	14	1	0	6	10½	2	11	11
50	1	18	2	1	0	10½	0	8	4	3	7	4½

From this table it will be seen that, in order to secure the benefits named, an annual sum (paid by monthly instalments) of £1. 0s. 7½d. is required from a person entering at the age of twenty. In order to secure the *same benefits* to a party entering at thirty years of age, a yearly payment of £1. 8s. 0½d. is necessary. For one entering at the age of forty the amount is £2. 1s. 2½d.,

while at fifty the sum is increased to £3. 7s. 4½d. It must be borne in mind that these payments are calculated so as to require no entrance fees.

For the purpose of fully illustrating the nature and extent of the action of initiation fees on the graduated rates of payment, I have calculated the “present value” of the totals in the above table, or the sum which, if paid at once in the shape of initiation fee, would buy off the necessity for paying any periodical contribution whatever.

PRESENT VALUES OF THE TOTAL ANNUAL PREMIUMS  
IN THE PRECEDING TABLE.

Age on Entrance.	Present Value.			Age on Entrance.	Present Value.		
	£.	s.	d.		£.	s.	d.
20	22	5	5	40	33	6	6½
25	24	11	11	45	37	0	5½
30	27	2	10½	50	40	19	9½
35	30	0	10				

The principal and interest of the “present value” sum paid on entrance is equally competent to meet the liabilities of the member as the preceding annual payment. Therefore, *any proportion* of this present value sum which may be paid on initiation will reduce, in an *equal proportion*, the annual contribution. For instance: Suppose a person entering at the age of twenty to pay *one-tenth* of the amount of the present value of the liability, or £2. 4s. 6½d., as initiation money, he would

buy off *one-tenth* of his annual contribution, which is equal to 2s. 0 $\frac{3}{4}$ d. Instead, therefore, of paying the sum of £1. 0s. 7 $\frac{1}{2}$ d., as shown in the table of contributions, 18s. 6 $\frac{3}{4}$ d. would alone be necessary. The principle is just the same whether the proportion be *one-tenth* or any other fractional part. The absurdity, therefore, of reducing the initiation fees without raising the contribution in an equal ratio must be apparent.

Mr. Neison, the eminent actuary, from a calculation which he made some years ago on this subject, and in which the full value of the *then* initiation fees of the Manchester Unity were added to the *equal* rate of annual contribution, shows that a member entering at twenty paid £1. 2s. 7d. per annum, when he ought to have paid £1. 7s. 3d.; one entering at thirty, £1. 2s. 8d., when he ought to have paid £1. 16s. 9d.; and a member entering at forty £1. 7s. 8d., when he ought to have paid £2. 13s. 2d. !

Mr. Neison observes upon these figures :—“ By young members joining the Order at the age of twenty there is an annual loss of 4s. 8d.; but by those entering at the age of thirty the yearly loss is increased to 14s. 1d.; and by those members entering about the age of forty the loss per annum is as much as £1. 5s. 6d.; so that, in fact, this last class of members pay little more than half the yearly sum necessary to meet the exact liabilities incurred by the lodges through their membership! ”

The Manchester Unity has, since the time these calculations were made, effected considerable improvements in its financial laws; but the above is yet a fair



specimen of the financial legislation of immense numbers of these institutions, and may, therefore, serve to illustrate my position as well as if I had selected a particular existing case, which might, perhaps, appear somewhat invidious on my part—an imputation I studiously wish to avoid.

The following table, extracted from Mr. Ratcliffe's Supplement, will serve as an additional example of the variation in the rate of payment according to age on entry, and likewise make more evident the differences in the values of the various kinds of insurance generally effected by the working classes. This table is calculated so as to require no initiation fees; but of course, it does not provide for cost of management. This may be effected by the addition of such a rate per cent. as the individual experience of any society may have demonstrated to be necessary; or it may be raised by a periodical levy on all the members. The two funds, however, under all circumstances, should be kept separate. The neglect of this important precaution has hastened the ruin of numerous societies, and is, at the present time, impoverishing many others:—

# ANNUAL CONTRIBUTION

To be paid during Life, for the sum of 10*s.* per week during the first twelve months' Sickness; 5*s.* per week for the next twelve months' Sickness; and 3*s.* per week afterwards: all Sick Gifts to cease on arriving at 70 years of age; then to receive an Annuity of 2*s.* 6*d.* per week during Life: an Assurance of £10 at the Death of a Member, and £5 at the Death of a Member's Wife, should she die first: the Contribution to be paid by Monthly Instalments.

Age.	First 12 months' Sickness.	Second 12 months' Sickness.	Sickness after Two years.	Annuity after the age of 70.	Assurance at Member's Death.	Assurance at Member's Wife's Death.	Total.	Initiation Money.	Nett Con- tribution.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
20	0 9 6 $\frac{3}{4}$	0 0 8 $\frac{3}{4}$	0 0 9	0 3 6 $\frac{1}{2}$	0 3 0 $\frac{3}{4}$	0 1 0	0 18 7 $\frac{3}{4}$	0 0 3 $\frac{1}{4}$	0 17 11 $\frac{1}{2}$
25	0 10 5 $\frac{1}{2}$	0 0 11	0 0 11	0 4 4	0 3 6 $\frac{1}{4}$	0 1 1 $\frac{1}{2}$	1 1 3 $\frac{1}{4}$	0 0 11 $\frac{1}{2}$	1 0 3 $\frac{3}{4}$
30	0 11 4 $\frac{1}{2}$	0 1 1 $\frac{1}{2}$	0 1 1 $\frac{3}{4}$	0 5 8 $\frac{1}{2}$	0 4 0 $\frac{1}{4}$	0 1 3	1 4 7 $\frac{1}{2}$	0 1 4 $\frac{1}{2}$	1 3 3
35	0 12 6 $\frac{1}{4}$	0 1 4 $\frac{3}{4}$	0 1 5 $\frac{1}{2}$	0 7 7	0 4 8 $\frac{1}{2}$	0 1 5 $\frac{1}{4}$	1 9 1 $\frac{1}{4}$	0 4 7 $\frac{1}{2}$	1 4 5 $\frac{3}{4}$
40	0 13 10 $\frac{1}{4}$	0 1 9	0 1 10	0 10 0	0 5 7 $\frac{1}{2}$	0 1 8 $\frac{1}{2}$	1 14 9 $\frac{1}{4}$	0 5 2	1 9 7 $\frac{1}{4}$
45	0 15 4 $\frac{1}{4}$	0 2 2 $\frac{1}{4}$	0 2 4 $\frac{1}{2}$	0 14 1	0 6 9 $\frac{3}{4}$	0 2 0	2 2 9 $\frac{3}{4}$	0 5 8	1 17 1 $\frac{3}{4}$
50	0 16 10 $\frac{1}{2}$	0 2 9 $\frac{1}{4}$	0 3 0 $\frac{1}{2}$	1 0 10 $\frac{1}{2}$	0 8 5	0 2 5 $\frac{1}{2}$	2 14 5 $\frac{1}{4}$	0 6 7	2 7 10 $\frac{1}{4}$
55	0 18 8	0 2 10 $\frac{3}{4}$	0 3 8 $\frac{3}{4}$	1 13 0 $\frac{1}{2}$	0 10 5 $\frac{3}{4}$	0 3 0 $\frac{1}{4}$	3 11 10	0 7 4	3 4 6

The destructive results arising from ignorance of, or non-provision for, the difference of liability incident to members entering at various periods of life, are almost incomprehensible to those unacquainted with statistical science. The amount of pecuniary injustice inflicted upon the younger men is such as to demand immediate attention, if it be only for the protection of the honour and reputation of those parties who, from superior scholastic attainments or personal character, have been entrusted with the direction and management of these important institutions. The errors I allude to were originally committed in ignorance. The past may, therefore, be overlooked and forgiven; but that which both charity and justice might excuse when perpetrated in the obscurity resulting from the want of knowledge, will be deemed criminal if persevered in, in defiance of the truths rendered visible to the understanding by the light derived from past experience and the teachings of science.

It is, I believe, by many parties imagined—indeed it is sometimes advanced in argument by otherwise intelligent members—that the charging of all the subscribers with a mean average rate of contribution from age eighteen to thirty-five, with a prohibitory law as to the initiation of parties above the latter age, would ensure safety, as the surplus payment of those admitted below the average age would compensate for the insufficiency of the subscriptions of those above it.

This is, however, not only flagrantly unjust, but its iniquity recoils upon itself and defeats its purpose. Young men, knowing the fact, of course postpone their

initiation, because they are offered no additional advantage for joining at the earlier periods of life. In the future, when young men become possessed of sufficient information on the subject (and the inculcation of the necessary knowledge is rapidly progressing), they will indignantly refuse to contribute to an assurance society which demands more from them than they are equitably entitled to pay, for the purpose of benefiting others who have been less provident in their early years, or who are not in possession of the full measure of principle necessary to the preservation of their honourable self-dependence; for every benefit to the elder individuals, under this system, to some extent pauperises the recipient. The principle itself is, indeed, utterly repugnant to the true spirit and real object of a Friendly Society, and especially of Odd Fellowship, which seeks not to degrade, but to elevate, its members in the social scale, and to teach them the power which they possess within themselves, by intelligent combination, to honourably and independently provide for themselves in those seasons of affliction to which every member of the human family *may be* subjected, although the precise *individual* liability is wisely hidden in the darkness of the future.

The graduated scale introduced into the general law of the Manchester Unity, though of so much value as an important step in the right direction, is, nevertheless, to some extent imperfect in its principle and defective in its practical operation. The law provides only for a portion of the in-payment, and leaves the amount assured to the option of individual districts and lodges. Now, as



the rates of benefit promised vary considerably in the various branches, it is evident that the medium rate of the general law must be too high for the lesser assurance and too low for the larger amounts. The following table, computed by Mr. Ratcliffe expressly for this work, shows the true rate for three several classes of benefits. All might be used in one lodge. The graduated scale is likewise continued to age forty-five. The present plan of charging all over thirty-six the same rate, together with what are termed "arrears," as if the party had been initiated at that age, is a financial injustice, inasmuch as the club, by his non-membership during the "arrears" period, was exempt from his liabilities. It is, doubtless, desirable that lodges should have the privilege of adopting such a scale as may best meet the pecuniary means of the members. But when the sum assured is determined upon, general law ought to insist that the true scale to meet the liability be adopted. The accompanying table contains three distinct rates, and represents variations sufficient to meet the diverse wants of the various branches. This table is likewise calculated so as to require no initiation fees. An equal nominal one might be charged, say 2s. 6d. or 5s., which would be available for management expenses. The equalization of the initiation fee, and its merely nominal amount, would induce large numbers to join any society whose rates of contribution are properly graduated. Heavy initiation fees are barriers to the entrance of any society:—

## ANNUAL PREMIUM

PAYABLE DURING LIFE FOR THE BENEFITS AS STATED IN THE  
TABLE "SICKNESS AND MORTALITY," MANCHESTER UNITY.  
INTEREST THREE PER CENT.

Age.	8s. per week first 12 months; 4s. per week second 12 months; 2s. per week after 2 years.			10s. per week first 12 months; 5s. per week second 12 months; 2s. 6d. per week after 2 years.			12s. per week first 12 months; 6s. per week second 12 months; 3s. per week after 2 years.			£15 at Death of Member.
	£.	s.	d.	£.	s.	d.	£.	s.	d.	
18	0	10	3	0	12	10	0	15	5	0 4 4
19	0	10	4	0	13	10	0	15	7	0 4 5
20	0	10	10	0	13	6	0	16	3	0 4 7
21	0	11	1	0	13	10	0	16	7	0 4 8
22	0	11	4	0	14	2	0	17	0	0 4 10
23	0	11	8	0	14	7	0	17	6	0 4 11
24	0	12	0	0	15	0	0	18	0	0 5 1
25	0	12	4	0	15	5	0	18	6	0 5 3
26	0	12	8	0	15	10	0	19	0	0 5 5
27	0	13	0	0	16	3	0	19	6	0 5 6
28	0	13	4	0	16	8	1	0	0	0 5 8
29	0	13	8	0	17	1	1	0	6	0 5 10
30	0	14	1	0	17	7	1	1	1	0 6 0
31	0	14	6	0	18	1	1	1	8	0 6 2
32	0	14	10	0	18	7	1	2	4	0 6 4
33	0	15	5	0	19	3	1	3	1	0 6 7
34	0	15	10	0	19	9	1	3	8	0 6 9
35	0	16	5	1	0	6	1	4	7	0 7 1
36	0	16	11	1	1	2	1	5	5	0 7 4
37	0	17	6	1	1	10	1	6	2	0 7 7
38	0	18	1	1	2	7	1	7	1	0 7 10
39	0	18	8	1	3	4	1	8	0	0 8 1
40	0	19	4	1	4	2	1	9	0	0 8 5
41	1	0	0	1	5	0	1	10	0	0 8 10
42	1	0	9	1	6	0	1	11	2	0 9 1
43	1	1	9	1	7	2	1	12	7	0 9 5
44	1	2	5	1	7	11	1	13	6	0 9 10
45	1	3	1	1	14	8	1	14	8	0 10 2

So little has the influence of age on liability been understood by the members of Friendly Societies generally, that, merely for the vainglory of competing with rival institutions in the number of initiations, the entrance fees in some cases have been reduced to a very small sum; and this, too, without any increase, equivalent or otherwise, in the periodical contribution. Some societies are so foolish as to accept men between sixty and seventy years of age, providing the proposer introduces a much younger man at the same time. They appear to consider the one as a kind of set-off against the other. This is not only an act of palpable injustice to the young man, but one of suicidal folly in the bargain. The old man commences at once to receive considerably more (on an average of cases) than he pays into the society. The *loss account* is, therefore, certain and immediate; while, on the other hand, the continued payment of the “victimised” young member is doubtful in the extreme. Besides, supposing that the dupes were to remain “innocent of the knowledge” of the fraud played upon them, and tacitly submitted to their fate, this would only eventually plunge the society into still greater difficulties. It is merely a warding off of the evil day, a postponement of an inevitable collapse, to be made still greater by the very act of procrastination.

Honesty, in this as in other matters, must eventually prove the best policy; for what rational hope of salvation can be gathered from a practice glaringly unjust, as well as practically inadequate to the achievement of its object?

## CHAPTER VII.

## CONDITIONS OF SECURITY.

3.—NUMBER OF MEMBERS: LARGE *VERSUS* SMALL SOCIETIES.

My third proposition, or essential condition to the security of any Friendly Society, is one of very great importance. I am satisfied, from my own experience in these institutions, that the premature decay of many of them has been the result of the irregular action of the natural laws inducing sickness and mortality, when the joint risk has extended over a too limited number of members to insure a sufficiently practical approximation to AVERAGE RESULTS. I have devoted much time and study to the investigation of this principle and to its practical exhibition; and am thoroughly satisfied not only of the *expediency* of forming larger societies than lodges and sick clubs generally present, but of the absolute NECESSITY of such a provision, if Friendly-Society Insurance is to become a matter of scientific certainty instead of a game at hazard.

My third proposition is—

“THE NUMBER OF MEMBERS *over which the joint liability extends must, not in name only, but de facto, be SUFFICIENTLY LARGE to insure a reasonable approximation to a working average of liability.*”



I say *de facto*, and not in *name* only, because many parties are of opinion that Odd Fellows and other affiliated Orders are one society, and, consequently, more than sufficiently extensive. But the Manchester Unity, for instance, is divided into about 400 districts, and each district alone is answerable for its own claims on the *mortality* account. Again, the Unity consists of nearly 4,000 *lodges*, or separate clubs, and each lodge alone is responsible for the *sickness* portion of the assurance claimed by its own members. Benevolent assistance in case of bankruptcy, is, within certain limits, rendered by the funds of other lodges, or those of the general Unity, to branches in strict compliance ; but this does not at the present time amount to a positive guarantee.

It is but just I should state that, very much to my surprise, for a long period many eminent actuaries disputed the importance of this branch of the question, though others spoke equally or more emphatically as to its necessity. The progress of opinion in this matter is not only curious but instructive ; and may perhaps induce the display of a little charity towards the shortcomings of operative members of Friendly Societies, when we find educated and professional men gravely floundering in doubt and error, and strangely divided in opinion, upon a problem which the data submitted to their analysis ought to have demonstrated as clearly as any other law of assurance. For, whatever may be the number of joint risks necessary to the production of average results in any given *insurance*, that number must be determined from the positive *dictum* of past experience,

and not by mere off-hand opinion. It is a question of science, and must be *proved*; not one of authority or of personal character.

The Committee of the House of Commons, as early as 1825, threw out some suggestions relative to the subject. Few, if any, attempts were made for some time, however, to ascertain by experiment what number of members was sufficient to afford a practical working basis for the insurance operations of a Friendly Society. In 1845, Mr. Neison, the eminent actuary, published a pamphlet, entitled “Odd Fellow and Friendly Societies,” in which the following observations occur:—

“Owing to the very small number of members in each lodge, *it is IMPOSSIBLE*, even under the best and most skilfully graduated tables, that the lodges could be safely and firmly established if existing independent of each other.”

The average number of members in the lodges of the Manchester Unity at the time Mr. Neison made his observations was—in the rural districts, 58; in the town districts, 62; in the city districts, 77; and in the whole Unity taken together, 66.

Mr. Neison proceeds to say that but little practical knowledge is required to understand that many small lodges, as above, “would be destroyed from the operation of causes other than inadequate contributions. The average number of members appears to be about sixty-six in each lodge: and it is apparent that if three or four unhealthy members were to gain admission to any one of these, it must soon break down, even with highly gra-

duated terms; but where lodges number ten or a hundred times as many members, there is but little danger to be feared from such accidents. One of the valuable features to be introduced into the Order would, therefore, be the formation of all the lodges into one grand parent society, or for a certain number to form themselves into districts and to unite their interests."

In 1849, when the Committee of the House of Commons called for further evidence upon the subject of Friendly Societies, the actuaries still differed materially in their opinions upon this important branch of the question.

Messrs. J. and A. Finlaison, actuaries to the National Debt Office, expressed their conviction that the "question of numbers was not an ingredient at all in the calculation of the tables." They thought "the tables would work equally well with a small number as with a large one!" Nay, they seem to prefer smaller societies, and, singularly enough, they state as a reason that the smaller clubs are more efficiently managed than the larger. When asked to state the number to which he would limit a single club, Mr. J. Finlaison said, "I think the lowest number one would recommend a society to be composed of would be between sixty and seventy; and I should call a society too large for efficient management, *except under peculiar circumstances*, if it consisted of more than 250 or 300; I think about 200 the *best number* to ensure stability, and also effective supervision." Yet he afterwards acknowledges that the results of the working of societies under apparently similar circumstances have been very

different ! He says : “ I have seen societies of the number I mentioned (between sixty and seventy) work well, fulfil all their objects, and at this moment with a surplus fund in their hands after an experience of fifty years ! ”

Mr. Ansell, before the same committee, does not deny the influence of numbers on the stability of a Friendly Society, though he makes the acknowledgment somewhat unwillingly. He says : “ So far as my own experience goes, that (smallness of numbers) has not been the *chief* cause of failure ; to say that it has never been so would, perhaps, be saying too much ; but I have not been conscious of it.” And again : “ I never observed anything in their working that has led me to reject them on account of their smallness, or to think that it would necessarily accelerate their being broken up because they were small.” And yet, afterwards, he again acknowledges the truth of the principle : “ *I do not say it has not existed*, but I do not think it a *general cause* of the failure of these societies.”

On the contrary ; Mr. Neison, before the same committee, lays great stress upon the necessity for larger numbers. He considers *three hundred* the LOWEST number to ensure a working average for sickness ; but still too little for mortality. He puts the question in its true light when he says :—

“ It is quite possible that a society of fifty, or even 100 members, *using tables* that are perfectly safe to the average of all Friendly Societies, might not provide *half the contributions* that are necessary for its own



peculiar circumstances, or it might provide *double the amount* which is necessary. Taking mere numbers only as a test of safety, the society (of 1,000 members) would be safe under a calculation properly applicable to that society; but *one hundred would not be safe under any calculation!* THE RESULT WOULD BE A MATTER OF ACCIDENT! There would be *fluctuations*, and these might be toward the maximum or minimum, and thus it would be safe or unsafe accordingly." He afterwards explicitly says, "All other things being equal, *one thousand would be safe and one hundred unsafe!*"

Mr. W. Sanders, of Birmingham, who had much experience with the affairs of a large Provident Institution in that town, said, when asked what number he would recommend, "I think the *larger the better*. I do not think the number can be too large, so that one secretary can superintend. A thousand, or ten thousand! We have five thousand in ours now."

This is certainly a very diversified view of what should be a very simple statistical question.

"Who shall decide when doctors disagree?"

It is, however, just possible some of the "doctors" here may be practising beyond the limits of their diplomas. I am by no means of opinion that the actuaries, *as such*, are the best judges as to the management of these societies. The experience of those who have *laboured among them* is of infinitely more value, to my mind, as to the practical working and details. I do not even regard it as egotistical to assert, that I *ought* to

know more of these matters than all the actuaries (in their *professional* capacity) put together.

Let us hear what Mr. David Jones, one of themselves, says on this subject, before the same committee of the House of Commons, when asked the question, "Have you not often found also great mismanagement?" He responds: "*That does not necessarily come under the notice of an actuary*, he can tell nothing of that; we see nothing of the practical working, *except in the results!*" He was afterwards asked, "If you found that the liabilities had become much *greater* than you anticipated, you would conclude that it was from mismanagement?" Answer: "Yes!"

So all the irregularities which some of the actuaries are unable to attribute to causes known to themselves, they quietly set down to the very convenient score of mismanagement!

My own "opinion" is decidedly opposed to that of Mr. Finlaison. I have found that the smaller Lodges are, generally speaking, much the *worse* managed! It is well known to practical Odd Fellows, that, notwithstanding the convivial attractions, the great bulk of the members never attend to the business of the society at all, but chiefly send their subscriptions by other parties. In small Lodges, I have often seen it very difficult to procure officers of *any kind*, good, bad, or indifferent, willing or unwilling. Men are not over-fond of serving gratuitously, year after year, in offices which entail the arduous and responsible duties of visiting the sick members, with the view to check imposition. In a

large Lodge, on the contrary, there is more choice and the greater probability of efficiency. It is quite an error to suppose that the members, as a body, look after their sick brethren. The surgeon's certificate, together with the report of the visitors is generally all that is asked for. All other information is of a purely accidental character. Therefore, the larger the number of interested parties spread about the neighbourhood, unquestionably the greater would be the chance of detection, if one of the body should be imposing on the society. I am thoroughly satisfied, from much practical experience, that, to a certain extent, numbers act beneficially even upon the management itself. But the *financial* necessity for an extended basis for practical operations, is altogether independent of the question of management.

Mr. Finlaison considered the lowest number to insure safety to be between sixty and seventy ! Supposing for the sake of the argument this to be correct. Still I have good reason to know that the majority of Sick Clubs and Lodges do not contain even this number. The average of the whole Manchester Unity was but sixty-six. To give this general result there must have been a large number of very small Lodges among them. I could name scores with fewer than thirty members each. In too many instances, especially among the Order of Foresters, and probably several others, there are separate Lodges or Courts which do not number a dozen subscribers ! It must be confessed, at the least, that it is simply ridiculous to expect anything like average results from such limited numbers ! But Mr. Finlaison

considers "200 to be the *best number* to insure stability and also *effective supervision!*" I have shown that other actuaries laid great stress upon what they suppose to be the more efficient management of the smaller societies, and argued from this point of view in their favour. This I have shown to be erroneous. But even supposing it were true; still the *financial* necessity for an extended basis for practical operations is thereby unaffected. Why mix up the question of basis with management at all? They are two as separate conditions as light and darkness. The statistical law *demand*s recognition by both good and bad managers. It cannot be ignored in compliment to any other condition whatever. The moment a compromise is effected with a natural law of this class, truth has succumbed to expediency, and the dignity of science suffered degradation by the act. Whatever class of society may be established; whatever conditions may be attached to the disbursement of its funds; whether the financial laws be equitable or otherwise, management will ever remain an important item in the conditions of success. But what has this to do with the immense variety of natural and incidental causes which produce individual uncertainty with respect to sickness and mortality, and yet exhibit certain average results or generic laws, when the observations are extended over a large number of persons? The question is not one of simple "opinion," but of fact, and can only be satisfactorily answered by an appeal to the data which extensive experience has furnished. If average results can be



obtained from the experience of a club of 70, or even 200 members, the compilation of the huge mass of evidence periodically submitted by Government to its actuary, must be a mere waste of time, labour, and public money. Why are the actuaries themselves anxious for extensive data in order that the "limited number of lives observed upon" may not be advanced as an argument against the value of their tables? The future experience of a society should be but the re-working out of the results in the actuary's tables.

Mr. Finlaison's observation that certain small societies had, for fifty years, fulfilled their engagements, and were at present in the possession of a surplus fund, exhibits one of the best possible proofs of the *uncertainty in the liability* when the number is small; for there existed no club anything like fifty years previously whose rates of contribution for sickness were calculated to meet the average liability, inasmuch as this most important element in the process was unknown. This *uncertainty*, like individual fluctuation is, as a matter of course, *favourable* to one small club, and unfavourable to another. Hence the necessity for larger societies, to realise average results. Indeed, unless the numbers joining at the risk be sufficiently large to insure, in practice, something like an approximation to the "expectation" in accordance with which the tables of rates have been compiled, the *insurance* can only be *partial*. It exhibits but an unnatural marriage between Prudence and Gambling. Mr. Finlaison's small society won in the hazard. But there can be no *winning* without a

corresponding *loss* somewhere. Of this the number of small societies which have “gone to the wall,” although paying rates similar to the more fortunate, furnishes abundant proof. Indeed, the true value, nay, the very purpose and aim of all insurance, is the neutralization of the *hazard* referred to, and the substitution of a positive guarantee.

Let us examine the practical working of individual small societies in reference to this important question. In 1850, I procured full and complete returns from every lodge in the Preston district of the Manchester Unity. These returns gave, amongst other facts, the number of members in each branch, their average age, and the amount of reserved fund. The lodges were opened in the order in which they appear in the following table, with the exception of the last, which was transferred from another district:—

Lodge.	Number of Members.	Average Age.		Average share of Reserved Fund per Member.			Lodge.	Number of Members.	Average Age.		Average share of Reserved Fund per Member.		
		Yrs. 10ths.		£	s.	d.			Yrs. 10ths.		£	s.	d.
1	269	39	3	4	13	0	13	22	41	0	1	19	2
2	140	35	7	2	19	3½	14	56	36	4	2	10	0
3	74	33	1	4	2	10¾	15	89	34	9	3	8	0½
4	64	39	3	5	6	9	16	88	31	4	1	7	5¼
5	133	37	2	3	0	2¼	17	59	35	4	1	14	6¾
6	93	35	4	2	10	10½	18	65	31	3	0	13	2¾
7	71	36	3	1	16	2¾	19	47	32	9	4	10	4½
8	195	33	3	4	8	5¼	20	87	29	4	3	1	1½
9	90	35	4	3	3	6	21	48	30	6	1	2	1¾
10	60	33	3	1	12	6½	22	18	36	5	3	6	10
11	56	34	1	0	17	10¼	23	74	29	6	2	16	5
12	32	34	8	6	6	7½	24	47	34	7	3	6	9

The average share per member of the reserved fund throughout the district was £3. 4s. 6 $\frac{1}{4}$ d. This average varied in the separate lodges from 13s. 2 $\frac{3}{4}$ d. to £6. 6s. 7 $\frac{1}{2}$ d. per head.

Now the whole of these societies are governed by the same general and district laws. They possess, individually, only the power to make by-laws within and in accordance with them. The district officers visit and superintend the whole. No twenty-four purely independent societies can reasonably be expected to approach so nearly to each other in the principles of government, or in general practical management. If, therefore, the smaller lodges are competent to secure a near-enough average of liability, the amount of reserved fund in each should exhibit little or no variation, *except in so far as the ages of the members would affect the question*. But is such the case?

The most wealthy lodge (No. 12), with £6. 6s. 7 $\frac{1}{2}$ d. per man, is within one-tenth of a year of the average age of the whole district; while one of the poorest (No. 11), possessing but 17s. 10 $\frac{1}{2}$ d. per member, presents a variation of only a portion of a year in this respect!

The lodge exhibiting the highest average age (No. 13) is in possession of £1. 19s. 2d. per head, while the two which follow it in point of age (Nos. 1 and 4) are the second and third on the list with respect to amount of reserved capital; the one showing £5. 6s. 9d. per member, and the other £4. 13s.!

The lodge No. 19 is the next in point of wealth to No. 1; yet the former is among the lower, and the

latter among the higher, with regard to the age of the members !

It is evident, therefore, that other powerful causes must have operated in the production of these irregularities. Unquestionably the *fluctuations necessarily incident to small numbers* have exercised great influence in the matter. This is capable of easy demonstration from the table itself. If we take the whole of the lodges possessing LESS than the district average number of members (82), and compare them with those which present MORE, we shall find that the former exhibit *greater* variation in their financial condition than the latter, and, consequently, manifest greater uncertainty in their prospective liability. This is a very important fact. It brings the issue of the question to the test, not of mere dogmatic "opinion," but of experience and scientific inference. It will be observed that the TWO RICHEST and the THREE POOREST lodges are among the smaller numbers. They exhibit a variation of from *six pounds six shillings and sevenpence halfpenny*, to *thirteen shillings and twopence halfpenny* per member ; the difference being FIVE POUNDS *thirteen shillings and fivepence* ! On the other hand, the lodges with the larger numbers only show a fluctuation of from *four pounds thirteen shillings*, to *one pound seven shillings and fivepence halfpenny* ; the difference being THREE POUNDS *five shillings and sixpence halfpenny* ! This clearly demonstrates that (although the larger lodges themselves present not a sufficiently extensive basis for the exhibition of uniform practical results), the principle



now contended for, *viz.*, the wider the basis, or the greater the numbers joining at the risk, the nearer will be the practical approximation to average results predicted from the data supplied by past experience. This appears to be the great principle, the corner-stone in the fabric of all insurance: a law inherent in the very nature of acknowledged individual diversity and aggregate agreement.

But it may be said, after all this seemingly conclusive logic, *management* may have exercised some very important influence in the production of these variations. If this should be so, still the result shows that the smaller lodges exhibit this influence in the most striking degree. *What, then, becomes of the vaunted assumption that numbers operate unfavourably on the management?* It is evidently an untenable position, irrespective of the "great fact" to which I have previously referred, that the principal question at issue is as thoroughly independent of managerial blundering as the multiplication-table is of the industry of its teacher, or the application of the pupil anxious for the acquisition of its unerring truths. But I know the whole of the above branch societies well. I was officially engaged in their supervision for a period of two years, and have watched their progress with great interest during a much longer period of time; and I can safely assert that management has exercised, either in the larger or the smaller ones, but relatively little influence in the production of the variations referred to. One or two of the richer lodges I know to be no example of superior administrative energy, or

careful attention to the equitable enforcement of the restrictive by-laws, while two or three of the poorer have been among the most creditable in the district in these very respects.

It may, perhaps, be objected, by some who are thoroughly acquainted with the details of vital statistical science, that the average age of the members of any given clubs or branches does not show the actual difference in their liability, inasmuch as the progressive increase in proportion to age is not of a continuously equal character. It is true, the extra liability to sickness above—say—age forty, for any given number of years, will by no means be compensated by the lesser liability of an equal number of years below that standard. It is true, therefore, that the average age of the members of a club will not always correctly indicate the liability of the whole body. But such a method of calculation is very commonly practised by members when instituting comparison between various branches or rival clubs. I have therefore adopted the method in this instance, although aware of its imperfection, for the purpose of meeting any objection advanced by parties reasoning from facts of a similar character. It must not be forgotten, likewise, that, as the twenty-four branches observed upon were taken without selection, the irregularities referred to will partially neutralise each other. Indeed, they may have operated, with equal probability, against my position as in its favour.

Previously to the publication of Mr. Neison's pamphlet, the Manchester Unity general law made it compulsory

upon *districts* to form a union of interests, so far as the mortality liability extended. The sudden absorption of the funds of some of the lodges had taught them that large numbers were at least essential to the realization of average results with respect to insurance at death. A few years ago, the members of a number of lodges in the Preston district, convinced that the principle was equally applicable to the sickness portion of the assurance, agreed to form themselves into a "sick union," by which they undertook to pay an equal quota per member towards the sick of the whole, as well as of the mortality. The liability to sickness in this voluntary union originally extended over 1,300 or 1,400 members; this number has latterly been somewhat increased. The funeral liability, being a compulsory law, extends over nearly 3,000 persons, or the entire district. I have carefully watched the progress of this movement, examined the quarterly returns, made calculations therefrom, and written the principal reports for the Board of Management.

The recorded experience of this "sick union" presents a body of facts of the utmost importance in the solution of this question. From it I propose to "prove to demonstration" the truth of the principle asserted. A careful examination of the following figures must shake the confidence of the most sceptical:—

TABLE I.—*Showing the annual average amount of Sickness, Sick Union, Independent*

No.	NAME OF LODGE.	1848-9.			1849-50.		
		No. of Members.	Average Amount of Sickness.	Average Expense per Member.	No. of Members.	Average Amount of Sickness.	Average Expense per Member.
			<i>Days 10ths</i>	<i>s. d.</i>		<i>Days 10ths</i>	<i>s. d.</i>
1	Bee-hive .....	140	3 9	5 9 $\frac{3}{4}$	137	6 8	8 8 $\frac{1}{2}$
2	England's Glory.....	97	6 9	11 7 $\frac{1}{2}$	86	4 7	7 6
3	Travellers' Home .....	73	6 8	11 5 $\frac{1}{2}$	68	5 8	9 5 $\frac{3}{4}$
4	Good Design .....	140	8 1	13 5 $\frac{1}{2}$	124	7 6	12 9 $\frac{1}{2}$
5	Travellers' Rest.....	90	5 6	9 4	92	7 9	11 2 $\frac{3}{4}$
6	Evening Star .....	75	7 3	12 4	71	17 1	25 6 $\frac{1}{2}$
7	Morning Star .....	55	6 2	10 5 $\frac{1}{2}$	57	4 6	7 9 $\frac{1}{4}$
8	Pleasant Retreat .....	175	3 8	6 4	182	4 5	7 7 $\frac{1}{2}$
9	Industrious Bee.....	52	4 0	6 8	55	11 2	11 8 $\frac{1}{4}$
10	Mother to the Distressed	44	12 0	20 1 $\frac{1}{2}$	40	13 4	17 2 $\frac{1}{2}$
11	Widow and Orphans....	60	9 7	10 1	55	9 0	7 9 $\frac{3}{4}$
12	Farmer's Glory .....	40	8 3	9 5 $\frac{1}{2}$	45	3 7	4 9
13	Rose in the Valley.....	32	16 1	14 8 $\frac{1}{2}$	32	12 1	7 2
14	Poor Man's Protection ..	22	3 3	5 6 $\frac{1}{2}$	22	14 2	23 8 $\frac{1}{2}$
15	Windsor Castle .....	83	8 7	13 0	84	7 7	10 0 $\frac{3}{4}$
16	Philanthropic .....	85	4 7	7 10 $\frac{3}{4}$			
17	No Danger .....	70	10 7	17 11 $\frac{1}{4}$	60	8 5	7 9
18	Glorious Apollo .....	49	2 4	4 0			
19	Prince Albert .....	24	2 4	4 1	61	1 7	2 10
	Average of District ..	1406	6 9	10 1 $\frac{1}{2}$	1269	7 7	10 9 $\frac{1}{4}$



and its average expense, amongst the Members of the Preston Order of Odd Fellows, M.U.

1850-1.			1851-2.			1852-3.		
No. of Members.	Average Amount of Sickness.	Average Expense per Member.	No. of Members.	Average Amount of Sickness.	Average Expense per Member.	No. of Members.	Average Amount of Sickness.	Average Expense per Member.
	Days 10ths	s. d.		Days 10ths	s. d.		Days 10ths	s. d.
132	14 0	19 6	208	14 0	19 0	218	6 8	10 11½
88	11 1	18 5½						
63	6 5	11 0¼				75	9 7	18 8
126	7 6	12 9	133	4 8	79¾	140	5 3	8 8½
93	11 6	15 8¼	106	8 1	10 3	112	7 1	12 1
71	16 8	24 4½	126	8 7	12 2½	128	7 3	13 10½
58	7 0	11 8						
192	3 3	5 6¾				204	5 1	8 7½
62	6 8	11 4¾	72	8 7	14 7½	75	7 4	12 3½
47	11 6	19 1½	47	7 1	11 9½	49	14 7	24 1¼
111	9 3	10 8¾	118	10 4	12 9	124	6 3	10 1½
32	13 0	9 9¼	34	13 1	9 7			
22	18 9	17 7¼	20	14 1	11 6	21	2 8	4 8½
88	10 2	12 7½	97	7 5	9 2¾	100	5 8	9 2
61	3 4	5 8¾	59	13 0	21 2¼	60	11 3	18 9½
60	2 6	4 4	73	2 0	3 4½	74	3 5	5 10
1311	8 8	12 8¾	1358	9 0	12 9½	1382	6 1	11 3¾



Sundays are not included in these tables. The sick pay of the Preston district is 10s. per week for the first twelve months; 5s. per week should the sickness continue another year; afterwards 2s. 6d. per week to the termination.

Let us examine the lodges numbered 14, 18, and 19, and those numbered 10 and 13 (Table I.), the whole of which possess fewer than fifty members each. The minimum experience for the first years cost 4s. per member, and the maximum 20s. 1½d. ! The average amount of sickness itself varied in those *little lodges* from *two days* four-tenths to *sixteen days* and one-tenth per member.

Compare the first year of No. 14 with the second. The figures show a variation of from *three days* three-tenths to *fourteen days* two-tenths per member ! In the third year the sickness in this originally healthy but small lodge averaged *eighteen days* and nine-tenths, and the expense to each member amounted to 17s. 7¼d. ! This lodge must soon have been swamped, had it stood alone, and trusted to the doctrine that the number of members had no influence on the stability of a Friendly Society.

The second year shows a variation of a still more alarming character. One lodge exhibits an experience of *one day* and seven-tenths sickness per member, entailing a cost of 2s. 10d. to each subscriber. On the contrary, another exhibits *seventeen days* one-tenth, or *twenty-five shillings and sixpence* cost to each subscriber in one year !

By referring to Lodges Nos. 1, 4, and 8, and number-

ing between one and two hundred members each, the numbers principle will be observed to commence its development. The broader the basis, or the larger the numbers sharing in the joint risk, and the more nearly does the experience approximate to the average of the whole. The highest return is only *eight days* and one-tenth each, at a cost of 13s. 5½*d.* per man; while the lowest is *three days* and nine-tenths, and the expense 5s. 9¾*d.* A careful examination of the third, fourth, and fifth years' results will furnish additional evidence of the truth of the principle.

Notwithstanding all this variety of experience exhibited by lodges separately considered, yet the average of the whole in combination, forming a basis of from 1,300 to 1,400 members, is as nearly coincident with the actuary's anticipation as the most sanguine could have anticipated. As I stated in a previous chapter, when I calculated the liabilities of the members of the whole district, I found that although the experience exceeded Mr. Ratcliffe's expectation, according to the city district tables of the Manchester Unity, by one day and three-tenths per member per annum, yet it only varied from that of Mr. Neison by about one-tenth of a day per member in the year!

Some persons may, perhaps, think that the experience of the larger, or even of the smaller lodges, if extended over a longer period, might compensate for the irregularities exhibited in the individual year's results. This, however, is problematical, except in a limited degree, and has not yet been borne out by the test of experience.



Some might, and others not. The early unfortunates would collapse without a chance of recovery. It is now pretty generally agreed amongst the actuaries that all irregularities in a society's experience should be *adjusted* about once every five years. The numbers, therefore, ought to be sufficiently extensive to present a reasonable approximation to average liability in that period of time. But do they? From the preceding tables, in which the experience of a full quinquennium is given, I find that the variation between the *two largest lodges*, in the aggregate of *five* years, is from *twenty-four* weeks nine-tenths to *forty-four* weeks nine-tenths; or, in other words, the claims of one proved to be nearly double that of the other, though they are branches of the same district of the Manchester Unity, and are held on the opposite sides of the same street and governed by the same laws. These two lodges contained about 200 members each when the report was drawn up. What kind of certainty, therefore, can be expected in the claims on societies numbering twenty, fifty, or even one hundred subscribers? The variation amongst the lowest numbers, on the aggregate experience of the five years, is nearly *five hundred per cent.*! One lodge *taken alone* was bankrupt, without the means to pay even a small dividend; and another stood on the verge of a similar precipice.

The following tables, since published by the Preston District Sick Union Board of Management, continue the experience for five years further. It will be seen that precisely similar results obtain to those commented upon in the first quinquennium.—

TABLE I.—*Showing the Annual average Amount of Sickness, Sick Union, Independent*

No.	NAME OF LODGE.	1853-4.			1854-5.		
		No. of Members.	Average Amount of Sickness.	Average Expense per Member.	No. of Members.	Average Amount of Sickness.	Average Expense per Member.
			<i>Days 10ths</i>	<i>s. d.</i>		<i>Days 10ths</i>	<i>s. d.</i>
1	Duke of York* .....	..	.. ..	.. ..	302	11 7	17 2
2	Bee-hive .....	221	10 0	13 8½	215	8 0	10 8½
3	Travellers' Home .....	79	2 0	3 4¼	80	7 3	12 2¼
4	Good Design .....	159	5 7	9 6¼	170	6 0	10 1½
5	Travellers' Rest.....	121	8 0	13 4¼	124	4 6	7 7¼
6	Union Stars.....	119	12 7	17 11¼	109	13 2	18 7
7	Pleasant Retreat .....	247	4 7	7 11	294	3 4	5 7¼
8	Industrious Bee.....	78	7 5	12 7½	84	9 2	13 1¼
9	Mother to the Distressed	52	13 8	19 3½	51	6 7	10 10½
10	Widow and Orphans....	129	7 9	10 3	133	11 9	17 0
11	Poor Man's Protection ..	18	2 4	4 0¾	17	3 3	5 7
12	Windsor Castle .....	106	6 0	10 1¼	120	5 2	8 8
13	No Danger .....	77	9 7	11 1¼	96	6 5	9 9
14	Glorious Apollo* .....	..	.. ..	.. ..	..	.. ..	.. ..
15	Prince Albert .....	66	4 9	8 2	51	5 8	9 8¼
	Average of District ..	1472	7 5	11 1½	1846	7 7	11 6½

\* The Duke of York Lodge has only formed part of the Union for four full years,

and its average Expense, amongst the Members of the Preston Order of Oddfellows, M.U.

1855-6.			1856-7.			1857-8.		
No. of Members.	Average Amount of Sickness.	Average Expense per Member.	No. of Members.	Average Amount of Sickness.	Average Expense per Member.	No. of Members.	Average Amount of Sickness.	Average Expense per Member.
	Days 10ths	s. d.		Days 10ths	s. d.		Days 10ths	s. d.
315	11 0	14 4 $\frac{1}{4}$	329	14 6	18 11	342	14 8	18 9
205	9 8	13 5 $\frac{1}{4}$	208	12 2	16 11 $\frac{1}{2}$	217	8 6	10 9 $\frac{1}{2}$
85	11 1	17 4	88	16 2	20 8	93	10 2	11 10 $\frac{1}{2}$
187	9 1	15 0 $\frac{1}{4}$	189	9 9	14 5 $\frac{1}{2}$	194	12 1	16 2 $\frac{1}{2}$
130	9 5	15 8 $\frac{1}{4}$	141	9 7	16 2 $\frac{1}{4}$	145	11 4	16 2
112	10 5	13 3	121	6 7	8 0 $\frac{3}{4}$	127	9 1	12 1 $\frac{3}{4}$
315	5 0	8 4 $\frac{1}{2}$	314	5 5	8 4	301	5 4	9 0 $\frac{1}{2}$
84	9 5	11 10 $\frac{1}{2}$	98	4 6	6 6 $\frac{3}{4}$	118	4 2	7 0
55	4 4	7 5	60	2 1	3 6 $\frac{1}{2}$	62	11 5	19 3 $\frac{1}{4}$
134	8 5	11 1	132	8 3	10 8 $\frac{1}{2}$	127	9 8	14 10 $\frac{3}{4}$
17	13 7	22 11 $\frac{1}{4}$	18	4 5	7 7	18	7 4	12 4 $\frac{3}{4}$
127	4 2	7 1 $\frac{1}{2}$	132	6 1	10 2 $\frac{1}{4}$	135	8 9	14 10 $\frac{1}{2}$
112	9 3	12 8	118	9 3	15 2 $\frac{1}{2}$	119	5 4	9 1 $\frac{1}{2}$
83	4 0	6 6 $\frac{3}{4}$	97	3 0	5 1	103	5 7	8 10 $\frac{3}{4}$
43	5 3	8 10 $\frac{1}{4}$	47	6 2	10 5 $\frac{3}{4}$	51	7 1	9 9 $\frac{1}{2}$
2009	8 3	12 1	2092	9 0	12 8	2152	9 3	13 0 $\frac{1}{2}$

and the Apollo for three; therefore their experience is less than a quinquennium.

TABLE II.—*Showing the average Amount of Sickness, and its average Expense, during the Period of Five Years, with the Exception of the Duke of York and Glorious Apollo Lodges, for reasons stated in note.*

Average No. of Members.	NAME OF LODGE.	Average Sickness per Member in the five Years.	Average Sickness per Annum.	Average Expense per Member for the five Years.	Average Expense per Annum.
		<i>Days 10ths</i>	<i>Days 10ths</i>	<i>£. s. d.</i>	<i>s. d.</i>
316	Duke of York* .....	52 1	13 0	3 9 2½	17 3½
213	Bee-hive .....	48 6	9 7	3 5 7½	13 1½
85	Travellers' Home .....	46 8	9 3	3 5 5	13 1
179	Good Design .....	42 8	8 5	3 5 4	13 0
132	Travellers' Rest .....	43 2	8 6	3 9 0	13 9
117	Union Stars .....	52 2	10 4	3 9 11½	13 11½
294	Pleasant Retreat .....	24 0	4 8	1 19 3¼	7 10¼
92	Industrious Bee .....	35 0	7 0	2 11 2	10 2½
56	Mother to the Distressed	38 5	7 7	3 0 4½	12 0½
131	Widow and Orphan's ..	46 4	9 2	3 3 11¼	12 9¼
17	Poor Man's Protection ..	31 3	6 2	2 12 6½	10 6
124	Windsor Castle .....	30 4	6 0	2 10 11½	10 2½
104	No Danger .....	40 2	8 0	2 17 10¼	11 6½
94	Glorious Apollo* .....	12 7	4 2	1 0 6½	6 10
51	Prince Albert .....	29 3	5 8	2 7 0¼	9 4½

#### AVERAGE ANNUAL SICKNESS

Experienced by the members of the entire Union during the five years:—

Average No. of Members.	Average Annual Sickness.	Average Annual Expense
2005.	8 days and 3 tenths.	per Member—12s. 1d.

\* The Duke of York Lodge has only formed part of the Union for four full years, and the Apollo for three; therefore their experience is less than a quinquennium.



The following table shows that although the irregularities to some extent correct themselves during the period of ten years, yet the discrepancy is still too great for practical purposes, especially in the smaller lodges:—

TABLE showing the average Amount of Sickness per Member, and its average Expense during the Period of Ten Years.

Average No. of Members.	Name of Lodge.	Average Sickness in ten Years.		Average Expense per Member in ten Years.		
		Days.	10ths.	£.	s.	d.
216	Bee-hive .....	93	5	6	11	4 $\frac{1}{2}$
78	Travellers' Home.....	84	6	6	10	11 $\frac{3}{4}$
156	Good Design.....	76	2	6	0	10 $\frac{1}{4}$
116	Travellers' Rest .....	83	5	6	7	7
122	Union Stars .....	97	7	7	2	1 $\frac{1}{4}$
242	Pleasant Retreat .....	48	9	4	1	1 $\frac{1}{4}$
78	Industrious Bee .....	73	1	5	14	9 $\frac{3}{4}$
50	Mother to the Distressed..	97	3	7	12	9
121	Widow and Orphans ....	87	7	5	13	6 $\frac{1}{2}$
19	Poor Man's Protection ..	84	6	5	15	7 $\frac{1}{2}$
107	Windsor Castle.....	70	3	5	5	0
83	No Danger .....	86	1	6	9	3
55	Prince Albert .....	31	5	3	7	5 $\frac{3}{4}$

The average sickness per member of the entire Union during ten years was eighty days, and the average expense £6. 2s. 9 $\frac{1}{2}$ d.; yet the individual lodges present a variation of from thirty-one days five-tenths to ninety-seven and seven-tenths, while the expense per member in one instance is £3. 7s. 5 $\frac{3}{4}$ d., and £7. 12s. 9d. in another. It is true the extremely low figures exhibited by the Prince Albert and Pleasant Retreat Lodges must be mainly attributed to the fact that they contain a large number of members of the middle class, who seldom

trouble the funds. But this is an element which, either more or less, enters into the composition of every lodge or sick club in the kingdom, and is in itself one of the causes of the irregularities referred to. Yet, if these two lodges be excluded, a variation of twenty-seven days and four-tenths per member, *in ten years*, is still presented by the return. The extreme variation in monetary value is still £2. 7s. 9d. per member in ten years. This, in a lodge of 100 members, would amount to £238. 15s. There was but a year of difference in the average age of the members at the commencement of the period. As the members of these lodges are nearly all of the average class of working men, and as they respectively contain 122 and 107 members, it is evident that a practical approximation to the actuaries' expectation cannot be guaranteed with small numbers. Nay, take the two largest, with 242 and 216 members, and we find a difference of upwards of forty-four weeks in the sickness per member *claimed* in the ten years. The chief cause of this difference I have previously explained. The members of the largest lodge were likewise at the commencement of the period rather more than two years older than the other, on the average, which, of course, would likewise exercise some influence.

With regard to the life assurance, the principle has long been acknowledged. A single year's experience forcibly illustrates its necessity. The levy of 4s. per head, in 1850, extending over about 2,000 members of the Preston district, was sufficient to liquidate all claims on the mortality account. Yet there were six lodges *without a single death* during the period; whilst

one was so heavily pressed upon that, had it stood alone, the sum of *fifteen shillings and ninepence* would have been required from each of its own members to meet their life assurance engagements for one year!

This, of course, would be to some extent adjusted by counter fluctuations in succeeding years. The following table, showing the aggregate experience for the quinquennium, from 1853 to 1857 inclusive, nevertheless demonstrates the folly of "certifying" the tables of small lodges and sick-clubs insuring for sums at death:—

No.	Average Age in 1851.	Average No. of Members.	Average Cost per Member during five Years.			Average Annual Cost per Member.	
			£.	s.	d.	s.	d.
1	39·3	310	1	12	0	6	8
2	35·7	214	0	16	0 $\frac{3}{4}$	3	2 $\frac{1}{2}$
3	33·1	84	0	17	1 $\frac{1}{2}$	3	5
4	39·3	73	0	8	5 $\frac{3}{4}$	1	8 $\frac{1}{4}$
5	37·2	175	0	17	0 $\frac{1}{4}$	3	4 $\frac{3}{4}$
6	35·4	129	1	7	4 $\frac{1}{2}$	5	5 $\frac{1}{2}$
7	35·9	117	1	1	0 $\frac{1}{2}$	4	2 $\frac{1}{2}$
8	33·3	287	0	15	7 $\frac{3}{4}$	3	1 $\frac{1}{2}$
9	33·3	88	1	11	2 $\frac{1}{4}$	6	2 $\frac{3}{4}$
10	34·7	55	0	17	11 $\frac{1}{2}$	3	7
11	32·4	131	1	0	0	4	0
12	41·0	18	2	10	10 $\frac{3}{4}$	10	2
13	36·4	79	0	10	2 $\frac{3}{4}$	2	0 $\frac{1}{2}$
14	34·9	121	0	10	10 $\frac{1}{2}$	2	2
15	31·4	107	0	13	7	2	8 $\frac{1}{2}$
16	31·3	97	0	19	6 $\frac{3}{4}$	3	10 $\frac{3}{4}$
17	32·9	106	0	14	8 $\frac{1}{2}$	2	11 $\frac{1}{4}$
18	29·4	92	1	6	8	5	4
19	29·6	54	1	11	10 $\frac{3}{4}$	6	4 $\frac{1}{2}$

District average for five years, £1. 0s. 10d. per member.

Average expense per member per annum, on the five years' experience, 4s. 2d. Average age of district in 1851, 34·9.

It will be seen that even with five years' experience the results are extremely varied, so much so as to destroy the action of age on the mortality to an extraordinary extent. Some of the lodges whose sickness results were below the average, are in excess with regard to mortality. Further comment upon a table which so plainly speaks in favour of the necessity of a wider basis than individual lodges or clubs generally afford, must be unnecessary.

However much the actuaries may differ as to the lowest numbers which will insure safety, there is at least one thing certain, *viz.*, the larger the basis or more extended the field of operation, the nearer will be the approximation to anticipated results. The management part of the business, though a very important one, I must again repeat, is an entirely distinct matter, which can in no wise be legitimately engrafted upon either the question of numbers or any other law of statistical science. The intelligent members of any society are quite as competent, from their practical knowledge, to devise and carry out an efficient system of supervision as the actuaries themselves, who have not necessarily any experience as to the administration of by-laws, or of the efficiency or otherwise of the working machinery. I have often remarked that if the institution of the Preston Sick Union had effected no other advantage than the improved book-keeping, and more efficient general management which it has introduced and practically carries out, it is worthy to be held up as a model for the imitation of other societies. I say this with some confi-



dence, as its ten years' experience has, I opine, furnished me with the means of arriving at a truthful conclusion with reference to this most important branch of the question in dispute.

I have given this lengthy exposition of the principle and practice of the sick union in the Preston district of the Manchester Unity, as an example of one means by which the fluctuations arising from the operations of small numbers may be avoided; but I do not wish it to be inferred that no other plan can be adopted for the achievement of the same object. The peculiar construction of the Manchester Unity compact, by which a district is compelled to support the sick members left by unfortunate lodges, together with the fact that the plan was previously in existence with respect to the mortality assurance, formed the great reason for its adoption, as the means best suited to the circumstances, for securing a basis wide enough to arrive at an average experience of sickness as well as of mortality. The same object might be accomplished by the amalgamation of several of the smaller lodges, or societies, until a sufficient number should be secured. What the lowest *sufficient number* may be is difficult at present to determine. Mr. Neison considers about 300 the lowest number for which an actuary ought to certify the tables; but he evidently prefers a still larger field of operation. In his pamphlet in 1844, he is very explicit on this subject. He says:—

“These observations naturally lead to the recognition of another grand feature in the principles of Friendly

Societies, which might be well and effectively carried out within the Manchester Unity. Owing to the very small number of members in each lodge, it is impossible, even under the best and most skilfully graduated tables, that the lodges could be safely and firmly established if existing independent of each other. . . .

The average number of members appears to be about sixty-six to each lodge ; and it is apparent that, if three or four unhealthy members were to gain admission to any one of these, it must soon break down, even with highly graduated terms ; but, where lodges number ten or one hundred times as many members, there is but little danger to be feared from such accidents. One of the most valuable features to be introduced into the Order, would, therefore, be the formation of all the lodges into one grand parent society, or for a certain number to form themselves into districts, and to unite their interests. The practical details for carrying out such a plan are perfectly simple ; and the advantages to arise so obvious, that it deserves the best consideration of the members."

One effect of the present system amongst affiliated societies, is to cause the secession of those branches that, having been fortunate in the lottery of small numbers, do not feel inclined to support their unfortunate neighbours, notwithstanding the implied compact, as well as the express declaration of their general law on the subject. This is one of the greatest sources of weakness in the affiliated bodies. I have known branches secede with a reserved fund of £20 per man, while a neigh-

bouring Lodge, or Court, or Tent, was being drained of the remnant of its accumulated capital by a long run of heavy sickness. A proper compact by which this could be legally prevented is necessary. The union of interests referred to, however, would, if fully carried out, prevent accumulation on the one hand and exhaustion on the other, and would tend to render the working class Insurance Societies permanent and reliable institutions for the future. This union of interests, however, must be complete and not partial, as it is at present in the affiliated bodies. The Preston Sick Union, itself, is still defective in this important particular. The plan of levying, every quarter, a rate to meet current demands on the members of each lodge in a district, is not a sufficient guarantee. The entire reserved fund should be invested as common property in the names of trustees appointed by the several branches. Secession then would be impossible, except as in the case of individual members, who, under such circumstances, forfeit their share of the reserved fund.

Judging from the results of the past experience which I have examined, I should not recommend any society to remain content with a smaller number than five hundred members. A thousand would be still better. Even here there would be fluctuations, notwithstanding every precaution may have been taken; but the larger the number, the less will be the irregularity. The nature of these variations, their causes and practical remedy, will form the subject of another Chapter.

## CHAPTER VIII.

## CONDITIONS OF SECURITY.

## 4.—LEGISLATIVE PROTECTION TO THE FUNDS, AND THEIR REGULAR AND JUDICIOUS INVESTMENT.

My fourth proposition, or necessary condition to the security of a Friendly Society, is—

“LEGISLATIVE PROTECTION *to the funds, and their regular and* JUDICIOUS INVESTMENT.”

Until very lately the great bulk of the Friendly Societies established in the British dominions, though *tolerated* by the executive Government of the country, were, nevertheless, without the pale of the law, and, consequently, without standing in a court of justice. This great evil principally resulted from the use of secret signs and pass-words by the affiliated bodies; the former Friendly Societies Acts making no exceptions in their favour (as had been done with reference to the Freemasons), to the operation of the laws enacted for the purpose of suppressing secret political combinations. As may be imagined, under the circumstances, many societies were plundered, while comparative impunity was secured to the culprits. Unprincipled men decamped with, or impudently appropriated to their own uses, the accumulated pence of poor but provident men, amongst



the best and most peaceable subjects of the state ; whilst the law, if not positively encouraging the felony, at least regarded the transaction with quiet indifference. Mr. Sotheron's bill, which became law in 1850, to a very great extent remedied this anomaly, a large proportion of the districts and Lodges in connection with the secret and affiliated bodies having already availed themselves of its provisions.

This legal enrolment, however, by no means insures the permanent stability of any society. Some members have imagined that Mr. Tidd Pratt's approval of their laws constituted a guarantee that the society's in-and-out payments were based upon sound principles of finance. But this is an error. Mr. Tidd Pratt's duty is completed the moment he is satisfied the requirements of the law have been complied with. Mr. Sotheron's Act *does not necessitate* the certification by an actuary of the tables of contributions and benefits as a condition of legislative protection. Parliament wisely, in my opinion, deemed it desirable to leave this important branch of the question to the integrity and growing intelligence of the members themselves. Experiment has shown that a clause enforcing an actuary's certificate as the price of legislative protection was inadequate to its purpose. It operated powerfully as a preventive to the enrolment of many Clubs, whose members preferred what they, perhaps foolishly, regarded as freedom from governmental dictation, to a participation in the many valuable privileges conferred on the provident operative by this judicious act of the Legislature.

Yet, simply as a matter of finance, it is absolutely necessary to the reliability of Friendly Societies that the legal protection accorded to all other capital should be extended to their reserved funds. Otherwise, the most correctly-prepared calculations might fail to insure practical success. It would be of little avail for the future, that a man carefully sets his house in order, if the whole of its contents be ostentatiously offered as a prize to the first unprincipled adventurer who might pass by the way ! And yet, singularly enough, there are leading men in many Friendly Societies who so much distrust everything in the shape of an Act of Parliament, that they resolutely and with dogmatic enthusiasm denounce this very legal protection as inimical to their freedom of action and their true interest. Some would not object to themselves possessing the power of suing those whom they considered indebted to the Club ; but they indignantly protest against the same privilege being accorded to other parties placed in a similar position with respect to the society. The selfish injustice of this line of conduct is manifest, and must be repudiated by the most limited pretension to the simplest form of social equity. Fear, however, and the absence of correct information have doubtless contributed largely to the development of this feeling. Many members have expressed great horror at the thought of “ being dragged before a magistrate,” or into a court of law, should they become involved in a dispute with their Club ; and the society itself, in its corporate capacity, often practically encourages this repugnance

to trust its affairs into the hands of the "gentlemen of the long robe," whom the members consider far too learned in legal matters for their client's advantage. I confess I am unable to see either the moral or the social difference between a felony committed, or a pecuniary obligation legitimately contracted by a Friendly Society or one or more of its members, and a similar act of any other company or individual. Besides, the present law recognises the principle of *self-government*, and facilitates its practice; for it declares that all disputes shall be settled in accordance with the laws and regulations made for that purpose by the members of Friendly Societies themselves. A magistrate need not therefore be troubled, except to aid the enforcement of the final decree of the society's own tribunal. All settlements of disputes must occasionally degenerate into the most contemptible of farces, where the committee adjudicating possesses not the power to enforce its award. Disaffected parties, instead of complying with the decisions of the arbitrators appointed by their *own laws*, have too often repudiated the whole of their engagements; and thus forfeited their individual honour by the compromise of the first and clearest principle of moral equity. Many very humble persons, equally with ambitious autocrats, doubtless mightily enjoy the rogue's privilege of choosing between law and anarchy whenever their individual passions or interests clash with those of their fellows. But the safety of general society demands that such sticklers for their own freedom should be compelled to pay a somewhat similar tribute to the liberties and

rights of others. The true interests of the refractory themselves are in the end thereby secured; for the most obstreperous disputant knows not how soon he may individually require the very protection he sneers at or affects to despise.

I have often heard it argued, that if the members would always be careful, and choose "honest men" for their treasurers and officers, legal protection would become superfluous! Perhaps if all mankind were practical Christians, and gifted with the privilege of peeping into futurity, we might contrive to get on without any social compact whatever. But, unfortunately, I have never yet heard of a defaulting treasurer or trustee who was not, *at the time of his appointment*, regarded by those who elected him as a most exemplary individual! It is generally some exceedingly "good character," some "very nice person," or some "highly respectable gentleman," whom nobody distrusts, who contrives to decamp with the funds of unenrolled Sick Clubs, or impudently demands "something handsome" before he will transfer his trust to a properly-appointed successor.

But even if, for the sake of argument, we admit the possibility of due precaution in this respect fully accomplishing its object, still legal protection remains a financial necessity; for thereby the safety of the reserved fund of a Friendly Society is materially augmented. Without legal standing, the money simply held in trust by an honourable man is regarded, in case of failure in business, as his private property, and a society



can only claim a dividend from his estate with the rest of the creditors, who traded with him, and consequently risked their capital against the prospect of an anticipated profit. But when a Friendly Society is enrolled under Act of Parliament, the money intrusted by the society to the simple care of a treasurer or trustee, still remains legally the property of those by whom it was so intrusted; and they can demand its restoration in full, previously to the liquidation of the claims of ordinary creditors. Now the most upright of treasurers or trustees may be placed in such a predicament; and consequently, under circumstances of this character, legal protection becomes a most tangible and valuable benefit.

The Act of Parliament likewise confers several other important privileges upon the societies availing themselves of its provisions, such as freedom from stamp duties and income or property tax; things not to be despised by financiers, however slightly they may be valued by the admirers of unlimited personal liberty. Besides, the very standing which the recognition by law gives to any Friendly or Provident Institution, is in itself a most valuable boon, and one infinitely more calculated to promote its true interests and aid in its extension than the boasted freedom from all legislative control, so highly prized by many honestly-disposed, but somewhat ill-informed members.

It is certainly a strange social anomaly that the provident efforts of the industrious classes, whatever the form of their exhibition, should have been regarded by either the Government or the people as antagonistic

to the well-being of the community at large, or incompatible with the laws which govern general society. Errors in this respect have unquestionably been committed on both sides; but the Government, in this instance at least, has earlier shown a more enlightened spirit than some of the parties for whom it has legislated.

Some years ago a very strong impression obtained in certain districts that the object of the Government in inviting the enrolment of Friendly Societies was simply to arrive at a knowledge of the extent and location of their accumulated capital, with the view to its confiscation on some political pretext. Doubtless this resulted from the fact previously referred to, that the affiliated bodies were not included amongst the institutions exempted from the operation of the "Corresponding Societies Act." Previously to the passing of Mr. Sotheron's Bill, this class of Provident Institutions were ineligible for enrolment from the cause referred to; but by the passing of the recent statute the disability has been removed, and affiliated bodies when enrolled, though using secret signs and passwords, are equally favoured with the Freemasons, and their property is placed under the protection of a stronger power than the strongest Government in these islands—the British law. Nay, the Government, by a stretch of power, in consequence of the illegal use of secret signs and passwords, might yet legally seize upon the persons as well as the property of all such unenrolled societies. Thus, paradoxical though it may seem, the only way to avoid the very in-

terference dreaded is to accept the protection of the law of the land.

It is most satisfactory, however, to know, that during the past few years a very large proportion of the secret affiliated Friendly Societies have practically recognised the value of legal protection by the enrolment of their rules. From Mr. Tidd Pratt's report last year (1858), it appears that the number of societies enrolled and now in existence in England and Wales, is about 20,000, including more than two millions of members, and possessing reserved funds amounting to upwards of nine millions sterling! This is almost entirely to be attributed to the liberal measure introduced into Parliament by Mr. Sotheron, and accepted by the Government, founded upon the favourable reports published upon the subject by select committees of both Houses, and framed expressly for the purpose of removing everything in the shape of rational objection to registration which could be urged either by members of the affiliated bodies, or those appointed on their behalf. Indeed, Mr. Sotheron's bill may be said to have been almost approved of, clause by clause, by the executive government of the Manchester Unity, before it became law. Its favourable reception by both Houses of Parliament was to some extent due to the expression of approval by members of that body to the Parliamentary representatives of some of the most important constituencies in the kingdom. When a sufficient time shall have elapsed to enable the leaders of those branches which still stand aloof to dispassionately investigate the merits of this impor-

tant question, doubtless many others will follow the example. Every new defalcation must operate most powerfully upon the most obtuse intelligence. As correct information upon the subject becomes more widely disseminated, the additional security and superior character of the enrolled clubs will, of necessity, become proverbial, and strongly recommend them to the consideration of candidates for admission. This will hasten the enrolment or decay of the still tolerated though illegal and unprotected bodies. It, therefore, becomes the duty of all interested in the prosperity of any Provident Institution of this class to earnestly labour for its immediate enrolment by the registrar.

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### INVESTMENT OF FUNDS.

Perhaps the least efficient portion of the *management* of Friendly Societies, and the one from which the greatest financial loss has resulted, is the irregular and injudicious manner in which the surplus funds have hitherto been invested. I am very well aware there are some creditable exceptions to this rule, but these exceptions are limited in number, and exercise but little influence upon the aggregate practice. Yet the judicious investment of the surplus capital of any Insurance or Friendly Society is of the greatest possible importance to its financial prosperity, notwithstanding the comparatively limited share of attention which the members have hitherto devoted to the subject.

I have heard many parties express doubts of the capability of a life-assurance company to pay the sum



promised at death, from the apparently inadequate premiums demanded. To these persons the accumulating power of compound interest was comparatively unknown, or the business nature of the transaction would have presented no mystery. Most of the actuaries' tables of rates are calculated on the supposition that the subscriptions will produce on the average about three per cent. per annum compound interest. Now it must be evident that a large portion of the subscriptions, being required for the liquidation of immediate engagements, will produce no interest at all, while another proportion must for a certain time lie comparatively unproductive in the hands of the treasurer, or be temporarily lodged at very small interest in some banking establishment. Such being the case, the bulk of the accumulated reserve fund ought to be permanently invested in good securities, or the aggregate subscription will fail to realize the expectation of the most careful actuary. The investment of a large portion of the funds on mortgage, at five per cent., will not realize that amount of *compound* interest, as the half-yearly or yearly profits either remain for some time uninvested, or are productive of merely the current bank interest. It will thus be apparent that, in order to effect an aggregate *compound* interest of three per cent. per annum, considerable sums ought to be invested at four or five per cent. upon unexceptionable security.

The importance of regular and judicious investment to the financial operations of Friendly Societies must be evident to the most inexperienced, after even a cursory glance at the following tables, adapted from Mr. Ansell's valuable work :—

TABLE I.—*Showing the Sum to which £1 Principal will increase, at compound interest.*

Years.	At 2 per cent.	At 2½ per cent.	At 3 per cent.	At 3½ per cent.	At 4 per cent.	At 5 per cent.
	£	£	£	£	£	£
1	1.02	1.02	1.03	1.03	1.04	1.05
10	1.21	1.28	1.34	1.41	1.48	1.62
20	1.48	1.63	1.80	1.98	2.19	2.65
30	1.81	2.09	2.42	2.80	3.24	4.32
40	2.20	2.68	3.26	3.95	4.80	7.03
50	2.69	3.43	4.38	5.58	7.10	11.46
60	3.28	4.39	5.89	7.87	10.51	18.67
70	3.99	5.63	7.91	11.11	15.57	30.42
80	4.87	7.20	10.64	15.67	23.04	49.56
90	5.94	9.22	14.30	22.12	34.11	80.73
100	7.24	11.81	19.21	31.19	50.50	131.50

It thus appears that the sum of £1 in fifty years will accumulate, at two per cent. compound interest, to rather more than two-and-a-half times its original value; but at five per cent. compound interest, it will have increased nearly eleven-and-a-half fold! £1 doubles itself in about thirty-five years, at two per cent.; while at five per cent. the same result is attained in a little more than fourteen years! In 100 years a pound at two per cent. realizes about £7. 5s.; but at five per cent. no less a sum than £131. 10s.

It must be remembered, that the above table represents the value realized by the investment of a *single* pound, and illustrates the accumulative power of the initiation fee paid by a member on entering a Friendly Society. The following table, in like manner, will represent the

increased values, through compound interest, of the periodical subscriptions :—

TABLE II.—*Showing the Sum to which £1 per annum will increase, at compound interest.*

Years.	At 2 per cent.	At 2½ per cent.	At 3 per cent.	At 3½ per cent.	At 4 per cent.	At 5 per cent.
	£	£	£	£	£	£
1	1·00	1·00	1·00	1·00	1·00	1·00
10	10·94	11·20	11·46	11·73	12·00	12·57
20	24·29	25·54	26·87	28·27	29·77	33·06
30	40·56	43·90	47·57	51·62	56·08	66·43
40	60·40	67·40	75·40	84·55	95·02	120·79
50	84·57	97·48	112·79	130·99	152·66	209·34
60	114·05	135·99	163·05	196·51	237·99	353·58
70	149·97	185·28	230·59	288·93	364·29	588·52
80	193·77	248·38	321·36	419·30	551·24	971·22
90	247·15	329·15	443·34	603·20	827·98	1594·60
100	312·23	432·54	607·28	862·61	1237·62	2610·02

The annual subscription of £1, at two per cent. compound interest, it appears, will realize, in fifty years, the sum of £84. 11s. 6d. But mark the value of interest; a similar annual subscription invested at five per cent., in the same period of time, will produce £209. 6s. 11½d. ! If continued for 100 years, two per cent. will realize about £312, while at five per cent. the capital would accumulate to the enormous sum of £2,610 !

It is thus evident that the regular and judicious investment of the funds of Friendly Societies is a primary condition of success. It matters not how carefully the rates of contributions and benefits may have been adjusted, if this important item has been neglected. The actuary only tells a society that his table of rates



will meet the liability, on the express understanding that the surplus subscriptions will be safely invested, and a given rate of compound interest secured on the aggregate. Truly, management here is of great consequence. If, through carelessness or indifference, less interest has been realized, the society's assets will not pay twenty shillings in the pound on its liabilities. If through good management a higher rate of interest has been gained, the contrary will be the case, and a bonus might be declared, as in a regular assurance company. Indeed, it is from this source that the profits and legitimate bonuses paid to shareholders and the assured is derived. Otherwise the transaction would merely amount to the payment of a higher annual premium than was necessary to secure the amount stipulated, and the periodical reimbursement, with interest, of the surplus subscription.

The Friendly Societies Act does not recognize the holding of real property (that is, buildings and land) by these institutions, except under certain conditions and limitations. They may build premises for their own use, and sublet portions, but the direct holding, as a matter of investment, is contrary to the statute. This has caused considerable dissatisfaction amongst some parties, who regard the prohibition as an arbitrary and unnecessary act, operating disadvantageously to their interests. But members of Friendly Societies are not generally much acquainted with the business nature of monetary transactions, and often confound investments involving speculative risk with those of a somewhat less productive, but infinitely more secure, character.



The object of Parliament was to protect, and not to injure, the true interest of Friendly Societies, when the clause limiting the legal investment of their funds to certain classes of securities was introduced. The interest derived from the accumulated stock of an Insurance Company, or Friendly Society, ought to be of the most *reliable* character, and the security as perfect as human foresight can accomplish. There must be no speculation in these investments, no risking of the capital for a prospective chance of large profits. This may be done legitimately in mercantile affairs, where the judgment and attention of the speculator are constantly directed to the progress of his enterprise. But when a tradesman *insures* his property or his life from the chance of accident, the transaction assumes a widely different character. He negotiates, in the latter case, for security against loss—for that very security which his commercial speculations cannot guarantee. To invest the funds of a Friendly or Insurance Society, therefore, either in trade, in building speculations, or in any other form which entails greater risk, for the promise of higher interest, is to stultify, to some extent, the very purpose for which such an institution was founded. It is true some clubs might make money by buying or building property, as some individuals have done, but others would, following the same example, very often lose by such transactions. Just in proportion as a possibility exists of loss of invested capital, does a society depart from the principles of insurance, although even that possibility may be compensated for by a corresponding higher rate of interest.

It is therefore the duty of the members of Friendly Societies to see that their funds are invested at the highest rate of interest consistent with unexceptionable security. Interest, as I have shown, is a most powerful ingredient in finance ; but without substantial security it may prove to be of a very delusive character.

Mr. Sotheron's Act legalized the investment of the funds of Friendly Societies in many and various securities ; and there was no limit attached but for the purpose of rendering such investment as productive as possible, consistent with safety.

The Act for the Consolidation of the Friendly Societies Acts, passed in 1855, still further extends the range of securities, and simplifies the principle. Clause 32 reads thus :—

“ That the trustee or trustees of every Friendly Society established under this Act or any of the said repealed Acts, may from time to time, with the consent of the committee of management of such society, or of a majority of members of such society present at a general or special meeting thereof, and in accordance with the rules of such society, invest the funds of such society, or any part thereof, to any amount, in any Savings Bank, or in the Public Funds, or with the Commissioners for the Reduction of the National Debt, as hereinafter-mentioned, or in such other security as the *rules of such society may direct*, not being the purchase of house or land (save and except the purchase of buildings wherein to hold the meetings or transact the business of such society as hereinbefore-mentioned), and not being the

purchase of shares in any joint-stock company or other company, with or without charter of incorporation, and not being mere personal security."

Such being the law, I cannot conceive the slightest reason why members of Friendly Societies should not cheerfully accept it. Its operation can only have the effect of preventing their funds being, from ignorance or favouritism, improperly invested, to the jeopardy of the best interests of the general members of such institutions. Whatever difficulties may arise owing to unforeseen defects, or imperfect administration, admit of speedy remedy after experience has demonstrated the necessity for further legislation.

## CHAPTER IX.

## CONDITIONS OF SECURITY.

## 5.—PERIODICAL REVISION.

THE impracticability of attaining more than an approximation to the expectancy or average results in the practical operation of a Benefit Society necessitates my fifth proposition, *viz.*:—

“A QUINQUENNIAL OR OTHER PERIODICAL REVISION or investigation into the state of the assets and liabilities, with the view to the adjustment of any irregularity which the preceding conditions may have failed to provide for.”

Before “Vital Statistics” can be resolved into a science calculated practically to secure the reliability of Friendly Societies, it is necessary that ample means for the correction of all irregularities of result, of all extraordinary or unforeseen exceptions to general rules, should be provided. The great majority of the old societies entirely neglected this precaution. Many individuals favourable to progressive improvement, imagine that the mere adjustment of the rates according to some standard derived from past experience, is sufficient to insure stability. In this, however, they are



much mistaken. The rates may be graduated according to the results obtained by Mr. Neison, Mr. Ratcliffe, Mr. Ansell, or Mr. Finlaison—the numbers over which the joint liability extends may be more than is demanded by any of them—legal protection and judicious investment of the funds may be secured, still no individual society could be pronounced absolutely safe. In practice variations from the general standard will take place, and must be compensated in some certain and reliable manner. These variations are neither few nor unimportant.

In the first place, it must be remembered that the averages derived from very extensive data do not themselves exactly coincide; they only *approximate*, as will be seen by reference to the tables in the third chapter. The approximation is certainly nearer where the numbers observed upon are large, and the other conditions somewhat similar. Trade or occupation has been found to exercise a marked influence on the duration of life and the amount of *claims* for the sick insurance. I say *amount* of *claims*, not because I deny the influence of occupation upon life and health, but because, over and above this, the liabilities of a Friendly Society are seriously increased from the fact that very slight injuries will prevent certain classes of operatives from following their employment, which to the members of many ordinary trades or professions would be productive of but trifling inconvenience.

Again, the lower the remuneration for the labour performed in any particular branch of employment, the less the disposition or even the ability to decline the

reception of the sick allowance for short or slight indisposition. The laws generally provide for payment only during the period of entire disability to follow employment; but this is not always the case, for many societies grant a reduced sick allowance to members partially disabled, with permission to labour so far as their condition will enable them.

Then, the laws regulating the dispensing of sick benefits and funeral allowances, vary much in different societies. Some are very stringent in themselves and are firmly administered. Others allow more latitude, or are indifferently enforced. In the latter case, all things else being equal, the claims upon the funds would be unquestionably much greater than in the former. The fluctuations from these sources may perhaps appear slight on a mere passing reflection. This, however, will be quickly dispelled by a careful perusal of the following table, compiled from the returns of the Manchester Unity. The average sick allowance claimed per member from the age of 20 to 70 presented the variations here exhibited:—

Amongst:—

Potters .....	more than 333 weeks.
Dyers.....	293 do.
Miners .....	224 do.
Bricklayers .....	182 do.
Bakers .....	178 do.
Spinners .....	170 do.
Printers and Compositors .....	168 do.
Woolcombers .....	166 do.
Servants, footmen, &c. ....	154 do.
Stonemasons.....	153 do.

Amongst :—

Labourers (agricultural) . . . . .	more than	134 weeks.
Coopers . . . . .	132	do.
Plumbers and Glaziers . . . . .	129	do.
Hatters . . . . .	128	do.
Labourers (town and city) . . . . .	122	do.
Weavers . . . . .	119	do.
Mill Operatives . . . . .	113	do.
Sawyers . . . . .	102	do.
Tailors . . . . .	95	do.
Cabinetmakers, &c. . . . .	92	do.
Shoemakers . . . . .	91	do.
Butchers . . . . .	84	do.
Wheelwrights . . . . .	64	do.
Clerks and Schoolmasters . . . . .	48	do.

It appears that potters experienced more than 333 weeks' sickness each on the average during the 50 years of life over which the observations extended; while clerks, schoolmasters, &c., claim no more than about 48 weeks each during the same period. The other trades exhibit a diversity of liability between these two extremes. This is not only a conclusive argument in favour of large numbers to secure a reasonable approximation to average results, but it proves more. It establishes the fact that no calculation, however correct, as applied to the conditions presented by one society, can with certainty be pronounced as competent to meet the exigencies of another, on account of the disproportion which they necessarily exhibit in the liability of their individual members through difference of occupation, and the fluctuations to which this very disproportion is continually subjected.

The remedy for this is a quinquennial or other periodical revision, when the society's own experience will determine the amount of variation from the general standard, and suggest the necessary modifications.

There is another item in the catalogue of variations exhibited by the experience of individual societies, and that is *locality*.

Mr. Neison and Mr. H. Ratcliffe arranged their data in three different groups, *viz.*, rural, town, and city districts. The rural districts comprise localities which present less than 5,000 inhabitants in one compact body, including the whole rural population. The town districts are understood to represent the denseness of population which in any one place exceeds 5,000, but remains below 30,000 inhabitants. The city districts include all above that number.

The following tables from the experience of the Manchester Unity will serve to show the variations in the results derived from data supplied by the experience of the several groups:—

AVERAGE SICKNESS EXPERIENCED FROM TWENTY TO SIXTY YEARS  
OF AGE IN THE SEVERAL DISTRICTS.

Rural .....	52·319 weeks.
Town .....	54·913 do.
City .....	65·742 do.

It may be said that, with large numbers, these three tables would prove sufficient for all purposes. No doubt the results would approximate tolerably near in many instances; but individual cases, when separately



examined, would still present dissimilar features. Even the individual city districts vary much from each other.

AVERAGE SICKNESS EXPERIENCED FROM TWENTY TO SIXTY YEARS  
OF AGE IN THE LOCALITIES NAMED.

Bolton .....	64,987	weeks.
Bradford .....	59,440	do.
Bury .....	64,997	do.
Leeds .....	62,918	do.
North London.....	65,783	do.
Oldham .....	66,852	do.
Rochdale.....	56,962	do.
Sheffield .....	94,956	do.
Stockport.....	84,951	do.

Mr. Finlaison, in his digest of the returns sent to the Registrar of Friendly Societies in England, does not lay so much stress upon the differences induced by locality. But as he has materially altered the composition of the three districts, no direct comparison of the result from his data with that of the other actuaries can be made. The influence of locality is undoubtedly much less than that of trade or occupation; but it is an influence, nevertheless, and must have its due weight in the consideration of the question. The average influence in large subdivisions is not, however, of much practical value. It is often the far greater difference between two societies in the same locality that requires the attention of the members; for in one single city, town, or village district, there exists much greater diversity among the separate societies, than between rural, town, and city districts, in the aggregate.

It will thus be seen that, after taking advantage of all the information gathered by experience and digested into science, there is still no such thing as the attainment of absolute perfection. Irregularities have occurred, and will unquestionably continue to exhibit themselves, in the experience of individual societies. Consequently, as a safeguard against the gradual accumulation of unfavourable irregularities, a periodical revision and adjustment is absolutely requisite. Even if all-powerful necessity did not demand it, a proper sense of equity and honour would suggest the adoption of some such provision, in order that the errors or imperfections of the passing years of any society should not be exclusively visited upon the heads of those who may join the club long after they were committed. On the other hand, if any particular institution, owing to the generally healthy character of its members during any given period, or through superior management and investment, has realized a profit, it is but equity that they should receive a bonus upon their claims, as in a regular Assurance Company. If the reverse be the case, it is equally justice that they should be called upon to pay a small levy to counterbalance any deficiency in the ascertained assets resulting from the excess of their claims over the general average expectation.

But supposing past experience presented results sufficiently certain and regular in themselves, a periodical revision or adjustment would still be necessary, because the distinguishing features of many localities

often undergo considerable variation. The rural village grows into a town, the thriving town into a city ; while occasionally the rule is reversed. But what is of more consequence, the members composing any given society are themselves continually changing, and often present, in the course of a few years, widely distinct features.

Besides, the value of life and the liability to sickness over the whole country are subject to fluctuation from numerous causes. Mr. Finlaison discovered, by investigating the data supplied by the experience of Government annuitants, that the value of life in England, in a century, had improved in the proportion of nearly four to three, or above thirty per cent.! The increase of scientific knowledge, and its application to the sanitary condition of various localities, must unquestionably operate favourably upon the general health. Efficient sewerage of towns and even villages, increased facilities for the drainage of private dwellings, additional domestic comforts and accommodation in the cottages of labouring men, improved habits of cleanliness, fostered by the establishment of public baths and washhouses, together with many other incidental causes, will doubtless in a few years, considerably reduce the present average liabilities to sickness, as well as still further improve the value of life. The state of trade, too, influences much the claims for sickness. When men are out of employment and without the means of supporting themselves and families, the least ailment will throw them upon the sick

list. A limitation of the usual supply of nourishing food and continued anxiety not only induce sickness, but reckless habits.

It may, perhaps, be thought that a quinquennial, or five-yearly adjustment, removes the necessity for the formation of societies with larger numbers than has hitherto been the practice. Certainly, the evils, however great, resulting from small numbers, *could* be adjusted at such revision, but it would sometimes become rather an expensive affair. Such a practice would likewise partially stultify the great principle of insurance; for a Friendly Society, under such circumstances, would become to some extent a kind of lottery, in which the members might indulge in the gambler's pleasurable excitement produced by the uncertainty as to whether the revision would necessitate a levy for the compensation of heavy claims, or confer a handsome bonus upon the speculation. The larger the number of members in any society, the less irregularity would be manifested at the periodical revision, and the *assurance* consequently rendered more perfect and satisfactory.



## CHAPTER X.

## THE FUTURE—DIFFICULTIES.

I HAVE endeavoured in the preceding chapters to exhibit, in a concise and popular form, the broad principles or generic laws which have been deduced from the huge mass of facts accumulated from various sources, and classed under the comprehensive term “Vital Statistics.” These, however, exhibit only the conditions upon which a society *ought to be based*, in order to combine equity with security. There exists now little or no difficulty in devising the rates of contribution and benefit for a new institution; but in order to accomplish the salvation of the old and imperfectly-constituted societies, several weighty obstacles will have to be energetically combated before the necessary transition from the uninformed past to a more enlightened future can be effected.

There are many general laws which govern the secret and affiliated bodies that operate against the improvement of individual branches. These will, consequently, require revision and amendment.

As this is one of the most important of the “difficulties” in the way of adjustment, it is desirable that I should enter into some details. In the first place, I have found that the best-intentioned efforts at financial legislation by the central governments (such as the Annual

Committees of the Manchester Unity, the Foresters, &c.) have been productive of much dissatisfaction, and, in some cases, of open rebellion. The members of some lodges entertain the utmost jealousy of all interference with their monetary affairs. Many, on one occasion, raised the standard of revolt because they were required to give information as to their financial condition to their own executive government. This, of course, resulted from a very foolish fear or unnecessary precaution; but its existence is, nevertheless, a "great fact," and therefore demands due consideration. The course of legislation adopted by the annual committees, since the convulsion in the Manchester Unity in 1845, demonstrates that the work of salvation must, in the main, be worked out by the separate branches themselves; and that all the central government can with efficacy accomplish in the matter, at present, is the circulation of sound information amongst the members, and the modification of such laws as cripple the free action of those branches which may be disposed to take immediate advantage of sound statistical knowledge for the improvement of their financial arrangements.

What, then, are the laws which at present stand in the way of branches *individually* progressing in the right direction?

In the first place, there exists among the affiliated bodies a kind of law of compact, by which the sick members of any branch in compliance, that may close for want of funds, are chargeable in the first instance to the district in which the lodge is situated. In case of the

failure or secession of a district, the sick members are paid from the general funds of the Order. The sick members of lodges which may be broken up, or have dishonoured their engagements with the general body, are provided for in a similar manner.

It is far from my intention to ignore or to ridicule the highly benevolent impulse which originated the above practice amongst Odd Fellows and other affiliated institutions of the Friendly Society class. The purpose was a great and a noble one. But purity of motive is of little practical value when the machinery employed for the achievement of its object is inadequate to its fulfilment. The law referred to unquestionably operates as a kind of patron to indifference or hostility to all financial improvement, and as a check to the progressive impetus of the branches more advanced in intelligence. Before its principle can be developed with practical equity, the whole of the funds of the various branches ought to be amalgamated, and trustees appointed to hold them in the name of the *whole* institution. The central government should have had power to compel the members of all branches joining the compact to subscribe an equitable proportion of the income, and to dispense only similar benefits. Then the society would have been placed upon the same footing as the regular Assurance Companies of the middle and upper classes. But, unfortunately, the *unity* has only too often been looked upon by branches as a generous friend to fall back upon in case of misfortune, and a thing to be avoided should prosperity attend their individual branch. Many such have

seceded, and repudiated their unity engagements simply because, owing to the fluctuations incident to limited numbers and other minor influences, they have been fortunate in the lottery, and accumulated as much reserved fund as £10 or £20 per member ! They could see an immediate prospect of other branches, whose funds, from precisely similar causation, had been rapidly absorbed, coming upon them for assistance. It is but too true that the cupidity of mankind frequently outweighs the sense of duty, when the latter is not enforced by the strong arm of the law. I have, of course, no objection to a union for benevolent assistance between branch and branch ; but *benevolent gifts* must form no part of the *assurance* arrangements. If any single branch in connection with these affiliated bodies desired to adopt the most correct financial tables, no intelligent actuary could honestly certify them, on account of the unknown amount of risk to which the single branch would be exposed owing to its indefinite engagements with other branches notoriously insolvent.

The general laws of the Manchester Unity have latterly been considerably modified in this respect. The unity and district liabilities are now legally paid only from the incidental funds or by levy, and this cannot exceed a given sum in any one year ; so that the sickness and funeral contributions of individual Lodges may remain untouched for their legitimate *insurance* purposes. This is a very great and valuable improvement, and if honestly carried out, does away with some portion of the difficulty of which I am complaining, and



still preserves that bond of unity so much cherished by the members of the institution.

But there is another practice amongst the affiliated societies, which stands quite as much in the way of adjustment as the one referred to—and that is the law of “*clearance*” or “*diploma*.” However advantageous this regulation may have been in the earlier history of Oddfellowship and kindred institutions, it is unquestionably an act of glaring injustice, and its operation has been, in some instances, of a most destructive character. If, as I have before said, the funds of all the branches had been amalgamated, as in an Insurance Company, it certainly would not have affected the question where the individual member claimed the amount assured; but such *not* being the case, the absurdity is flagrant. One branch society receives all the contributions during the younger portions of a member’s life, together with the initiation fee; and yet the member can “draw his clearance” and “throw it into” another branch, which becomes immediately responsible for his *then* heavy sick liability, and his impending funeral allowance, for the trifling consideration of eighteenpence! This, too, is paid from the member’s private purse, while the branch he left, though relieved of all the member’s liabilities, coolly pockets the whole of his share of the reserved fund!

No; stay. It is not quite so bad as this *now*—at least, not in the Manchester Unity—though I fear something very like it still prevails in many similar institutions. During the last few years several improvements

have been effected; the point of the wedge of truth has been insinuated into the fissure of error. Now the Lodge granting the clearance remains liable during twelvemonths afterwards for the member's claims. The depositor's eighteenpence transfer fee progressively increases in proportion to age. Consequently, there are comparatively few clearances issued at the present day. But why not complete the thing at once, and simply allow or compel one Lodge to act as agent for another, and leave the liability where the entrance fee and early subscriptions were deposited? A great many do this voluntarily, which proves its practicability. Members having removed to a distance, do not often draw clearances now, but pay their money into the nearest lodge on account of their own branch.

But it has been argued that the law operates reciprocally, and "takes and gives," as it is expressed. This sounds very well and very conclusive; but, unfortunately, fact flatly contradicts the assertion. There are many districts in England that regularly send out clearances and rarely receive any. The stationary condition of the population in point of numbers in some places, and the rapid increase in the thriving manufacturing towns, necessitates this. For example, the population of the town of Preston increased during ten years by nearly 20,000 persons, while many of the agricultural districts in the neighbourhood presented little or no difference in the number of inhabitants. The former had evidently absorbed the increase of the latter. Odd Fellows initiated in rural districts are constantly immigrating to

the manufacturing towns, and, of course, often bring their clearances with them. The injustice to the colonies is, however, the most flagrant, as for one clearance presented in England, scores must be sent out, to the manifest injury of the Lodges just springing into existence. The colonial branches of the Manchester Unity have, certainly within the last few years, been permitted to form independent tribunals, and to a considerable extent to enact by-laws calculated to meet their peculiar circumstances. While this law of clearance, however—even in its present state in the Manchester Unity—remains in operation, no actuary can, otherwise than conditionally, certify the tables of any branch lodge, as its operation might destroy the groundwork of all previous calculation.

In order to procure a sufficient basis to insure an approximation to average liability, small clubs, on agreeing to an adjustment of their financial affairs, might amalgamate. Lodges and Courts of affiliated societies might either do the same, or meet for local convenience in separate places, yet unite their interests something after the principle on which Odd Fellows' funeral funds are conducted. But the sickness portion of the assurance must be included likewise, and the reserved capital form one common fund.

These conditions must be complied with in some form or other before any effectual steps can be taken to accomplish a satisfactory financial adjustment of any single branch of an affiliated society.

In the mean time, however, much preparatory good

may be done by teaching the members, or the more educated portion of them, how they may arrive at a correct knowledge of the value of the assets and liabilities of any branch, or the method by which the degree of insolvency or otherwise of a given society may be tested and demonstrated. This, at first sight, may appear a difficult operation, but the difficulty exists only in its novelty. When the matter is once learned the practice becomes as simple as any rule in common arithmetic.



## CHAPTER XI.

## THE FUTURE—EDUCATION.

LITTLE progress in financial improvement can be expected among Friendly Societies till the better-educated and more influential members themselves become competent to understand the truth and value of statistical science, and, to some extent, capable of applying to their own practice its teachings and principles. Any portion of mankind is essentially conservative at heart when reforms are suggested in institutions, the customs or formula of which have long been cherished by the individuals of which they are composed. The conservative element is quite as strongly developed in the nature of the democracy of this or any other country, as it is in the aristocracy itself. The difference exists not in the sentiment, but in the individuality of the time-honoured prejudices upon which it is brought to bear. Working men oftentimes cling with a stubborn devotion to the veriest puerilities, when once engrafted upon their favourite institutions, and occasionally regard with angry distrust the most disinterested efforts for their advancement. Innovation and “vested interest” are as great bugbears to progress in the operatives’ club-room as they are, or were, in St. Stephen’s Chapel. There is likewise a growing disposition amongst the people to disregard mere dog

matic teaching. They sturdily refuse to yield up previous impressions at the simple bidding of any authority, however reputable, and especially so if the authority be one from whom they have previously received no evidence of sympathy or community of interest.

The manner in which information is conveyed to well-disposed but humbly-educated operatives is of the greatest importance. In order that it may be productive of either present or prospective benefit, it is essential that the teachers should be in possession of the confidence of the parties instructed; that they should be members, if possible, of the societies which require improvement, friendly to the principles upon which they are founded, and zealous for the achievement of their contemplated objects. My own experience has demonstrated the value and necessity of these conditions.

It is very desirable that any intelligent secretary or member of a club should be able to determine with certainty the state of the assets and liabilities of his society without the necessity for calling in professional advice; a matter generally never thought of till inevitable insolvency stares in the faces of the disappointed subscribers.

I will, therefore, endeavour to sketch the leading points in the process and explain them in as familiar a manner as possible. To those who feel disposed to further prosecute the study, I would recommend a careful perusal of the supplement issued some time ago by Mr. Ratcliffe to his observations upon the rates of mortality and sickness amongst the members of the Manchester

Unity. Mr. Ratcliffe's work, with the supplement, is now the most complete on the subject published, as additional tables of the value of annuities have been added to meet the practice of nearly every description of Benefit Society, including wives' funeral money and periodically reduced sick allowances.

Mr. Finlaison's reports and tables, lately issued by Government authority, contain likewise many interesting facts and much valuable information on the subject of Friendly Society Assurance.

With the view of arriving at a correct knowledge of the financial position of any lodge or club, it will be necessary to distinguish clearly the sum promised under each separate head or assurance, and the amount paid for such assurance per month, quarter, or year, *independently of any charges for management*. The plan now adopted by the Manchester Unity in this respect is more satisfactory, because more certain, than the deduction of any given percentage from the aggregate amount contributed. The "incidental expense fund" is an entirely separate account; and consequently no confusion need arise from this source in the valuation of the assets and liabilities of the *assurance* department of the society. It will be necessary next to exhibit the ages of all the members on their *next birthday*, for the actuaries calculate for the year of life upon which the individual *has entered*. *The average age of the whole members will NOT answer the purpose!* especially for sickness. Nay, in this respect it may seriously deceive. The aggregate yearly sickness of a body of men aver-



aging, say thirty-six years of age, for example, will be much higher than that experienced by a similar number, all of whom have just entered upon their thirty-sixth year. The reason is obvious after the least glance at the tables in the third chapter. It will be seen that the *rate of increasing liability* from eighteen to thirty-six is comparatively slight, when compared with that presented after the latter period. In other words, the diminution in liability shown by the ages below the average will not compensate for the excess of those above it.

For the purpose of arriving merely at a general knowledge of the position of a society without intending such calculations for practical use in the monetary adjustment, the ages may be taken in periods of five years, such as the number between twenty-one and twenty-five, and between twenty-six and thirty years, and so forward, using the mean value of the annuity in the calculation. I say this may be done; but the labour is so little diminished that it is scarcely worth while making an imperfect valuation even for this purpose.

The following will serve as a specimen of the kind of information necessary to be obtained from the books of a society previously to the commencement of a valuation of its assets and liabilities:—

*Rate of contributions appropriated, together with all interest arising therefrom, SOLELY to the payment of sick and funeral allowances, or other items of assurance, paid by monthly (or other) instalments during the whole of life—(say, for example) seventeen and fourpence per annum.*



[If the in-payment ceases at any given period of life, say at sixty-five or seventy years of age, it must be so stated. If a graduated rate of payment, according to age on entrance, has been adopted, the table must be inserted, and the number of members, paying under each step in this table, specified opposite the present ages of the members, thus:—At age 28, 10 members—4 paying 1s. 8d. per month, 3 paying 2s., 2 paying 2s. 2d., and 1 paying 2s. 6d.]

*Amount of reserved fund, including all interest due, £1,454. 10s. 0d.*

*Arrears owing by members, £5. 15s. 6d.*

*Casual assets from any other source, or any sum owing to the society, £1. 4s.*

*The liabilities are £10 on the death of a member; £7 on the death of a member's wife. Only one wife paid for.*

*Ten shillings per week during the first year of continued sickness; five shillings per week during the second year; and two shillings and sixpence per week during its further continuance to the end of life.*

[Should an annuity be granted to all survivors, in lieu of sick pay, after any given age, say sixty-five or seventy, it must be so stated.]

*No. of members, 113. Ages next birthday, as follows:—At 18, 2; at 19, 4; at 20, 7 [and so on until the whole are included, together with the information referred to above, if a graduated rate of in-payment has been adopted.]*

*No. of married members:—At age 20, 1; at age 22, 0; at 23, 2 [and so on for the remainder].*

*Investment:—£500 in Government securities at three and a half per cent.; £500 on mortgage of freehold property at five per cent.; £400 on security of borough rates at four and a half per cent.; £40 in savings bank at three per cent. The remainder in treasurer's hands.*

All the calculations are reduced to what the actuaries call “present values,” both for the assets and the liabilities. The nature of this “present value” I have explained in a previous chapter. (See page 115.)

In order to arrive at the value of the contributions, an actuary refers to his table of annuities, which gives opposite each age the figures which represent the present value of any given unit, say one pound, one dollar, or one shilling, paid annually on the average of lives from that period. These figures, therefore, multiplied by the number of such units in the annual contribution, will give its present value. Thus, by referring to the annuity tables formed from the data furnished by the experience of the Manchester Unity, at page 154 of Mr. Ratcliffe's work, I find, at page 18, the value of any given unit per annum is (city districts), 21.6584; which, if the unit be one pound, is equal to £21. 13s. 2d. If the unit be one shilling, the present value will be nearly 21s. 8d., the decimal being equivalent to about that portion of a shilling. Mr. Ratcliffe shows, at page 11 in his Supplement, that the value of an annuity when paid monthly, instead of yearly, should be increased by eleven

twenty-fourths of a year's purchase; and if paid in advance, an additional one-twelfth of a year's purchase should be added. Example; rural district:—

Value of annuity at age 18.....	22·0549
Paid monthly (eleven twenty-fourths of a year's purchase)	·4583
Paid in advance (one-twelfth of a year's purchase) .....	·0833
	<hr/>
	22·5965
If the sum paid per annum be 10s., multiply by .....	10
	<hr/>
	Shillings 225·9650
To reduce the decimal remainder to pence, multiply by ..	12
	<hr/>
Point off four figures to the right hand.....	11·5800
To reduce decimal remainder to farthings, multiply by ..	4
	<hr/>
Point off four figures to the right hand.....	2·3200

The present value is thus seen to be 225s. 11½d., or £11. 5s. 11½d. If the contribution per annum be 10s. 3d., then threepence, being one-fourth of a shilling (in this case the given unit), must be added, thus:—22·5965 divided by four, gives 5·6491, or 5s. 7¾d. Therefore to the £11. 5s. 11½d. add 5s. 7¾d., which gives £11. 11s. 7¼d. as the present value of ten shillings and threepence per annum paid throughout life by a person commencing at eighteen years of age.

This sum multiplied by the number of members at the age of eighteen, will give the value of the future subscription of that portion of the members. A similar process will exhibit the value for the other years of life. The whole added to the total reserve fund will give the assets of the society.

In valuing the liabilities a precisely similar principle is adopted. At page 159 of Mr. Henry Ratcliffe's work is a table, calculated from the experience of the Manchester Unity, "showing the amount to be paid in one sum at any of the ages given, to ensure £1 at death." Thus at eighteen (rural, town, and city districts combined) this value is 3284, or 6s. 7*d.*, which multiplied by ten, the amount assured, gives 32840, or £3. 5s. 8*d.* Multiply this by the number of members at that age, and the amount of present value liability for this insurance amongst them will be determined. Proceed in the same manner with the other ages, and the total will give the liability of the society on the members' mortality account.

A similar process is pursued with regard to sickness, wives' funeral money, and annuities, the only difference being the employment of the tables prepared for their respective purposes.

If the total liabilities amount to no more than the total assets, the club is so far in a solvent position; but in proportion as the liabilities exceed the assets, the degree of insolvency is determined. If the former double the latter, the society can only pay ten shillings in the pound.

The table at page 198, extracted from Mr. Ratcliffe's Supplement, exhibits the valuation of a Friendly Society of the class specified. In the case of a society having adopted the graduated rate of in-payment according to age on entry, additional columns would be necessary in the assets portion of the account to meet the difference in contribution previously referred to. This, however, neces-



sitates merely a little additional labour, as there is no novelty in the principle of the calculation introduced by this condition. The total value of the members' contributions at each age will be ascertained, as in the case of the liabilities, by the addition of the individual items severally ascertained. As the total value of the assets of the society in the example referred to is £2,210. 17s. 8d., and the liabilities £2,135. 13s. 7d., it is therefore financially solvent, with a balance to its credit of £75. 4s. 1d.

The introduction into ordinary school-arithmetics of a few rules, with examples referring to Friendly Society assets and liabilities, would be of great benefit in many respects. It would insure much more competent secretaries in the future, and would educate the mass of the members in the groundwork of the science upon whose superstructure the laws and regulations of their Friendly Societies must be engrafted, if their provident hopes are to be protected from disappointment. Indeed, too little importance is generally attached to the office of secretary, and its emoluments are sometimes miserably inadequate to the labour performed. The working men ought themselves to remedy this imperfection, and ungrudgingly remunerate competent persons for the due performance of the duties of this, the most important office, in a financial sense, in connection with either an Insurance Company or a Friendly Society.

# FORM OF VALUATION

Supposed to consist of eighty-eight members at the ages stated, each monthly instalments. Each member to receive, when sick, the sum of ten months: after this period, and for the term of next twelve months, to afterwards the sum of three shillings per week—all sick gifts to cease on per week, after seventy years of age; an assurance of ten pounds at the Interest three per cent.—MORTALITY AND SICKNESS, MANCHESTER

AGE.	ASSETS.			No. of Married Members.	Total Value of Members' Wives' Funeral Money.	Value of first twelve months' Sick Gift.
	Value of Contributions at each age.	No. of Members.	Value of Contributions for Total Members at each age.	Value of Members' Wives' Funeral Money.		
	£. s. d.		£. s. d.	£. s. d.	£. s. d.	£. s. d.
18	24 9 7	2	48 19 2	1 1 4	1 1 4	10 7 5
19	24 5 0	3	72 15 0	1 1 10	2 3 8	10 9 7
20	24 0 4	4	96 1 4	1 2 2	3 6 6	10 11 7
21	23 15 8	5	118 18 4	1 2 6	4 10 0	10 13 6
22	23 11 0	5	117 15 0	1 2 10	4 11 4	10 16 2
23	23 6 6	6	139 19 0	1 3 1	5 15 5	10 17 10
24	23 2 5	3	69 7 3	1 3 5	3 10 3	10 19 4
25	22 17 4	2	45 14 8	1 3 10	2 7 8	11 0 7
26	22 12 8	5	113 3 4	1 4 0	4 16 0	11 2 2
27	22 7 10	6	134 7 0	1 4 4	3 13 0	11 3 7
28	22 3 11	4	88 15 8	1 4 8	3 14 0	11 5 0
29	21 18 10	3	65 16 6	1 4 10	2 9 8	11 6 5
30	21 13 10	5	108 9 2	1 5 3	5 1 0	11 7 9
31	21 8 4	4	85 13 4	1 5 8	3 17 0	11 9 2
32	21 2 3	2	42 4 6	1 6 0	2 12 0	11 10 6
33	20 17 1	1	20 17 1	1 6 7	1 6 7	11 11 10
34	20 11 4	6	123 8 0	1 6 10	6 14 2	11 13 1
35	20 5 4	3	60 16 0	1 7 2	2 14 4	11 14 3
36	19 19 3	4	79 17 0	1 7 7	4 2 9	11 15 5
37	19 12 10	2	39 5 8	1 8 0	2 16 0	11 16 6
38	19 7 8	3	58 3 0	1 8 5	2 16 10	11 17 5
40	18 12 8	3	55 18 0	1 9 4	2 18 8	11 18 11
42	17 19 0	2	35 18 0	1 10 3	1 10 3	11 19 4
44	17 4 10	2	34 9 8	1 11 3	3 2 6	11 19 8
46	16 10 3	2	33 0 6	1 12 2	3 4 4	11 18 9
52	14 4 11	1	14 4 11	1 15 2	1 15 2	11 10 6
		88	1,903 17 1		68	86 10 5

Contributions ..... £1,903 17 1

Arrears of Contribution ..... 6 10 0

Cash in Hand ..... 300 10 7

£2,210 17 8

# OF A SOCIETY

member paying a contribution of fivepence per week during life, by twelve shillings per week, until he has received one continuous sick gift of twelve receive five shillings per week; should he still continue sick, to receive arriving at seventy years of age: an annuity of two shillings and sixpence death of a member; and five pounds at the death of a member's wife.—  
**UNITY FRIENDLY SOCIETY.**

## LIABILITIES.

Value of second twelve months' Sick Gift.	Value of Sick Gift after two years' Sickness.	Value of Sum at Members' death.	Value of Annuity after age Seventy.	Total Values.	No. of Members.	Total Values of Benefits for all Members at each age.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.		£. s. d.
0 15 5	0 15 4	3 5 8	3 10 8	18 14 6	2	37 9 0
0 15 11	0 15 10	3 6 11	3 13 2	19 1 5	3	57 4 3
0 16 6	0 16 5	3 8 2	3 15 10	19 8 6	4	77 14 0
0 17 1	0 17 0	3 9 5	3 18 7	19 15 7	5	98 17 11
0 17 7	0 17 7	3 10 8	4 1 6	20 3 6	5	100 17 6
0 18 2	0 18 3	3 11 10	4 4 6	20 10 7	6	123 3 6
0 18 9	0 18 10	3 13 0	4 7 8	20 17 7	3	62 12 9
0 19 4	0 19 6	3 14 8	4 11 0	21 5 1	2	42 10 2
0 19 11	1 0 3	3 15 7	4 14 6	21 12 5	5	108 2 1
1 0 7	1 0 11	3 16 6	4 18 1	21 19 8	6	131 18 0
1 1 3	1 1 8	3 17 11	5 1 10	22 7 8	4	89 10 8
1 1 11	1 2 4	3 19 4	5 5 9	22 15 9	3	68 7 3
1 2 7	1 3 1	4 0 11	5 9 10	23 4 2	5	116 0 10
1 3 3	1 3 10	4 2 2	5 14 1	23 12 6	4	94 10 0
1 3 11	1 4 8	4 3 7	5 18 7	24 1 3	2	48 2 6
1 4 8	1 5 6	4 5 2	6 3 2	24 10 4	1	24 10 4
1 5 4	1 6 4	4 6 8	6 7 11	24 19 4	6	149 16 0
1 6 1	1 7 2	4 8 2	6 13 0	25 8 8	3	76 6 0
1 6 10	1 8 0	4 10 2	6 18 3	25 18 8	4	103 14 8
1 7 8	1 9 0	4 11 8	7 3 8	26 8 6	2	52 17 0
1 8 5	1 9 10	4 13 5	7 9 5	26 18 6	3	80 15 6
1 10 1	1 11 3	4 17 0	8 1 3	27 18 6	3	83 15 6
1 11 9	1 13 9	5 0 9	8 17 3	29 2 10	2	58 5 8
1 13 6	1 15 11	5 4 7	9 10 5	30 4 1	2	60 8 2
1 15 2	1 18 1	5 8 6	10 6 5	31 6 11	2	62 13 10
1 19 10	2 3 8	6 0 9	13 12 10	35 7 7	1	35 7 7
					88	2,045 10 8

Total Value of Benefits ..... £2,045 10 8  
 Liabilities for Assurance at death of Members' Wives.. 86 10 5  
 Amount owing by Society ..... 3 12 6

£2,135 13 7



It may, perhaps, be desirable, for the information of those who are not acquainted with decimal fractions, that the manner should be more fully explained by which results so tabulated can be reduced into ordinary terms.

The decimal form is not adopted by actuaries for the purpose of enshrouding the matter in mystery, as I know some members of these societies have imagined; neither is it used with the view of investing the process with a pedantic appearance of learning. Decimal fractions are preferred simply because the calculations can be made with more exactness and less trouble than by the adoption of any other method.

At the age of fifty Mr. Ansell gives the average sickness for the year at  $1\cdot70$  weeks. The figure before the point is one full week. The 7 exhibits the number of tenth parts of a week which remain; and the 70 the number of hundredth parts. This may be reduced to days and hours by the following simple process: Multiply the 70 by 7 (the number of days in the week), and then mark off from the right hand the same number of figures contained in the multiplicand, or the original decimal remainder. The figure to the left of the point gives the number of days, those to the right the still remaining fractions. Thus:  $70 \times 7 = 4\cdot90$ .

By the above process this gives four days and a remainder of nine-tenths or ninety one-hundredth parts. The latter, multiplied by 24 (the number of hours in a day), and the formula repeated, will reduce the decimals into hours. Thus:  $90 \times 24 = 21\cdot76$ , or 21 hours and 76 one-hundredth parts. This makes the



whole one week, four days, and twenty-one hours. The remaining 76 might be reduced into minutes by the same process, but this is practically unnecessary.

According to the Manchester Unity, the expectation of life at twenty is 40·92 years. The decimals ·92 multiplied by 12 (the number of months in a year), give 11·04. The two figures to the right being pointed off, the average duration of life is seen to be forty years, eleven months, and a very slight fraction.

In order to secure uniformity it may be necessary sometimes to reduce the ordinary character into the decimal form. Suppose the figures 4 days 16 hours are required to be rendered into their equivalent as decimals of a week. Place a cypher after the 16 and divide the figures by 24, the number of hours in a day; the quotient will be ·6, with a remainder of 16. Add to this another cypher, divide again, and the quotient is 6 and the remainder 16. This would continue to any number of places of decimals. If three be considered sufficient for the degree of minute accuracy required, then the result will stand thus: ·666, the decimal equivalent of 16 hours as a fraction of a day. Add the four days, and the figures stand thus: 4·666. To reduce this into its equivalent decimal fraction of a week, divide it by 7; the number of days forming the latter period; this gives 0·666, the equivalent sought; or, in other words, four days sixteen hours may be described as six-tenths of a week, with a remainder of six; as sixty-six hundredths part of a week, with a remainder of six; or 666 parts of a week out of a thousand, with a remainder of six-

tenths; and so on to any conceivable degree of further minuteness.

I should have given all the tables in this work in the ordinary figures, with the view of making them as comprehensible as possible to the capacity of the humblest reader, but, as in nearly all the published works on the subject the decimal form is used, and as it is probable the principle will be gradually introduced into the financial and commercial arrangements of the kingdom generally, I considered greater practical advantage would accrue from the plan I have adopted, as it will enable any member at all acquainted with figures to clearly comprehend the decimal process, and thus smooth the path should he feel disposed still further to investigate the subject.

## CHAPTER XII.

THE FUTURE—EQUITABLE ADJUSTMENT, HOW BEST  
EFFECTED.

IF a valuation of the assets and liabilities of Friendly Societies, as recommended in the preceding chapter, were generally adopted, I am satisfied that a large majority would be found to be in a state of insolvency, differing, of course, in degree. The fact that many others would show a superfluity of assets does not, however, affect the condition of those on whom Fortune has neglected to smile, except to a limited extent, in the case of the affiliated bodies. It becomes, therefore, a matter of the utmost importance, that means should be adopted by which the progress towards dissolution may be arrested, and a more healthy and vigorous constitution imparted. Many expedients have been suggested, and some ingenuity displayed, with the view to meet the danger or to postpone the day of reckoning. After long and careful consideration of the subject, I am thoroughly satisfied that the most direct and honourable course is likewise the most practicable. Let the members of every society, in its corporate capacity, act as the upright tradesman does, individually, when he discovers that his debts exceed his assets, and the prospect for the future is the reverse of encouraging. Let them compound with their creditors,

and commence *immediately* paying only so much in the pound as a true valuation of their assets and liabilities may indicate can be done *to all the subscribers* throughout the whole period of life. As the members, in their individual capacities, are merely the creditors of themselves, in their corporate condition, there surely ought not to exist much difficulty in effecting such an arrangement, after its necessity is once fully comprehended.

A large number of members of Friendly Societies imagine, because they have saved a few hundreds of pounds during the first fifteen or twenty years of a club's existence, that their financial affairs must be in a flourishing condition. Many, doubtless, will feel themselves grievously insulted by a recommendation to balance their accounts, and do what, in their opinion, is equivalent to taking the benefit of the Insolvent Act! Yet it is the only, or, at least, the most *honourable* means for the prevention of a rapid accumulation of difficulties, involving eventually the total repudiation of a large amount of engagements equally binding.

As I do not wish to insinuate anything offensive to the members of any individual society, I will instance, as an example, the lodge to which I belong. I do this with the more cheerfulness, at the present time, because this lodge, and, indeed, the branches composing the entire district, have latterly procured further valuations, more correctly representing recently-introduced improvements, and it has manfully met the difficulty by adopting an increased rate of contribution. But the condition of this lodge nine years ago is a fair specimen of a very



large number at the present day. It was then, as it is still, considered a very respectable, well-conducted, and prosperous branch of the Manchester Unity. In 1850, I procured from the society's books the necessary data for the valuation of its assets and liabilities. It then numbered 195 members; their average age was thirty-three years and three-tenths; the proportion of married members was lower than the average of the district, being only about 68 per cent. The reserved fund amounted to £852. 7s. 2d., and this was each year increasing, the annual receipts being more than adequate to the liquidation of the current expenses. Yet, according to Mr. Ratcliffe's calculation, from the experience of the city districts of the Manchester Unity, this reserved fund, together with the whole of the future subscriptions of the members (at the then rate), and all interest accruing, were only competent to pay a dividend of fourteen shillings in the pound upon the engagements.\* It must therefore be apparent, that if any lodge, under similar circumstances, continues to pay twenty shillings in the pound to all claimants, it is not only marching steadily towards utter ruin, but, in the

\* I say according to the average results of the city districts of the Manchester Unity, as this alone renders the instance quoted valuable as an example. In fact, the lodge in question has not experienced, during the past ten years, more than about two-thirds of the expectation, when judged by the general standard of the district of which it forms a part. This, however, has resulted from the fact that a considerable portion of its members, from the nature of their occupations or position in life, do not claim, except for the more severe kinds of sickness. Forming a part of the Sick Union, it nevertheless contributed equally towards the average expense.

technical language of the law, it is giving an undue preference to one portion of its creditors ! Those societies with older members, and a relatively smaller amount of reserved fund, may, from this example, imagine the precarious position in which they stand, and the necessity which exists for *immediate* revision.

Some parties recommend the introduction of young men as new members, as a sovereign remedy for financial debility. This, however, when properly understood, is neither more nor less than an effort at obtaining, by surreptitious means, the money of the younger men for the payment of debts which they never contracted. With the knowledge now possessed by influential members, such a course will be looked upon as an attempted fraud upon the public. But, independent of this, the young men of England are fast getting too wise to be quietly victimized in this manner. They will begin to form new societies on improved principles, and leave the old ones to their fate, unless they can be allowed to join upon equitable terms ! This is practically demonstrated by the immense success of the Manchester Unity, since the introduction of the graduated rates of contribution, according to age on entry, by which every proposed member is equally eligible, irrespective of his years.

The sooner this adjustment is effected by all the old societies the better. But how is it to be accomplished ? The "way" is not so very difficult as many suppose when the "will" is guided by intelligence. Let the present members procure a correct valuation of their assets and liabilities, and consent to receive only such a

dividend on their claims as can *honestly* be paid to them. Then new members might be admitted on the equitably graduated rates of contribution indicated by statistical science, without injury to their legitimate interest either present or prospective.

But if the old members continue to receive full twenty shillings in the pound, of course a portion of the money must be abstracted from the funds which ought to accumulate at interest to meet the heavy claims in after life of the young members, who will thus eventually be saddled with the insolvency which the older subscribers had so adroitly but so unjustly transferred from their own backs to those of their unsuspecting victims.

The old members may increase, honestly, the amount of their dividend, if they please, by simply increasing the amount of their subscriptions. The value of the future contributions of the members of the Lodge previously referred to amounted in the whole to £3,041. 8s. 5d. at fourpence per week, to the *insurance* fund alone, incidental expenses being provided for separately. Now, if the members of lodges so situated agree to pay fivepence per week to this fund, the amount would be increased twenty-five per cent., or £760. 7s. 1½d. The balance *against* the assets amounted to £1,562. 4s. 3d. The extra penny per week would therefore reduce it nearly one-half. If they would agree to pay sixpence per week to this fund, they would be entitled to receive as nearly as possible twenty shillings in the pound along with the new members admitted upon correctly graduated scales. Those of the old members who would not pay the addition



ought to remain contented with the dividend. Others might be permitted to pay the extra penny or two-pence, according to their means or inclination, and receive in proportion. The present members are themselves unwise if they resist this equitable adjustment; for, independently of the dishonour which must attach to the transaction, they had *all* better be *certain* of a good dividend, than individually risk the loss of the greatest part of their sick allowance and the whole of their funeral money; for only a *portion* of their numbers can ever receive the full amount promised on initiation. No one of them can foresee whether he will have the Irishman's luck of falling sick or dying early, and thus secure payment in full, or the equally questionable fortune of subscribing for a number of years, and eventually, when his hour of affliction arrives, finding either himself paid off with a trifling dividend, or that the society has ceased to exist, except in the memories of a few, who, like himself, once felt firmly but somewhat selfishly satisfied "that *the Club would at least last out their time.*"

Thus it will be seen the difficulty of adjustment is not very great, when the question is fully understood. It merely requires a little moral courage, a firm determination to act justly to both ourselves and others, and the thing is accomplished. Even if we look upon it in the most selfish light, is it not (setting aside its justice) well worth the trifling sacrifice in the shape of the additional contribution when the reward is all that which truly brave men prize beyond all others—an



approving conscience? Nay, when we see the friends of the people and of social progress voluntarily expending both time, money, and labour with the view of advancing the interest and happiness of the masses, is it too much to expect from the most intelligent portion of the people the little sacrifice alluded to, when that sacrifice will be the means of placing for the future on a sound foundation those institutions in which they justly take the highest pride, the offspring of their own forethought, true independence, and honourable self-respect? This financial adjustment, pregnant with such important results, may be easily accomplished if we make up our minds to practically exhibit our faith in one of the great doctrines of Christianity and Oddfellowship, namely, to “do unto others as we wish they should do unto us.” If we promise an assurance, we have made a contract; and it is at least our duty to make the engagement in good faith, and to do all that lies in our power to provide for its future fulfilment. No amount of ostentatious benevolence, or even truly charitable almsgiving, though it may perhaps slightly palliate in the eyes of some, can ever justify, to the consciences of honourable men, systematic deception, or false pretension of any kind, however amiable its adjuncts or venerable its formulæ.

## CHAPTER XIII.

THE FUTURE—PROSPECTIVE IMPROVEMENTS AND EXPANSION.—DEFERRED ANNUITIES OR SUPERANNUATION ALLOWANCE, IN LIEU OF SICK PAY IN OLD AGE.

WHEN these societies become based upon sound principles, with respect to finance, they will assume an entirely new character in the history of human progress. Benevolence and charity have existed from all time ; but combinations amongst the masses for the purpose of rendering themselves independent of charitable assistance in the hour of unforeseen affliction, are the results of efforts comparatively of the present. The child of a giant, whatever may be its bulk, is still but a child, gradually progressing towards a more colossal maturity. These institutions, notwithstanding the huge proportions which some of them have attained, are yet but in their infancy. When the foundations shall be laid upon the rock of science, the superstructure will certainly expand into fairer proportions and more extensive ramifications, till the simple Provident Societies—originated, supported, and conducted by the integrity and increased intelligence of the labouring millions—will present features of as perfect and as varied a character as those patronised by the wealthy and more educated portions of the community.

For instance : why should not a working man assure for an annuity of two, five, or ten shillings per week on his attaining an age when, in all human probability, his physical stamina will have become inadequate to continuous employment of a laborious character ? Why should he not assure for a small sum as an endowment for his child, which would be most valuable as an apprentice-fee ; or, if continued till manhood, would furnish means for the purchase of the tools necessary to his trade or occupation, or otherwise launch him upon the world with something like a reasonable prospect of bettering his condition in life ? Why, indeed, should not the provident working man assure for a sum larger than £10 to be paid on his demise to his widow, his orphan children, or other legal representatives ?

Nay, as the means of support relied upon by the industrious operative are relatively liable to greater depression below the standard of absolute necessity, the more desirable it is that he should effect, if possible, such additional insurance to provide against the extra uncertainty to which he is subjected. There can be no very formidable reason advanced why this should not obtain to a certain extent, at least,—except, perhaps, that a knowledge of the true principles of assurance, and the great diversity of their practical application, are not yet fully understood by the majority of the members ; have not, indeed, yet received at their hands the amount of attention which the importance of the subject demands.

In chapter the fourth, I have stated that the propriety of discontinuing the payment of the sick allowance after

the age of 65 or 70 would be still further enforced. It has latterly become a common rule in Friendly Societies to reduce the amount of sick pay periodically during any long-continued indisposition. For instance, in some clubs full pay is granted for the first twelve months' inability to labour; half pay for the second twelve months; and quarter pay afterwards to the termination of the claim. Some, indeed, commence the reduction after six months' full allowance. This expedient was adopted for the purpose of preventing, to some extent, the necessity for an increased rate of contribution, to justify the payment of the equal allowance previously granted during the entire period of any individual attack of sickness, and for the whole of life. The first conviction that perseverance in the older practice would eventually prove destructive to the societies, precipitated this alternative. It was, nevertheless, an ill-advised scheme, although, unquestionably, the rapid absorption of the funds of many lodges was stayed, to a considerable extent, by its means. It is, however, directly antagonistic to the great provident principle professed and so much vaunted by Odd Fellows and the members of Friendly Societies generally. Better would it have been, and more in harmony with the philanthropic as well as with the prudential objects for which these institutions were established, if the reduction had been distributed equally over the entire period of affliction. It must be self-evident that after a member has been disabled and impoverished by a continuous sickness of twelve months' duration, although he may have been



receiving ten shillings per week from his society during the period, he must be in a far worse position to meet the difficulties which will present themselves, should his inability to labour still continue. And if he be more unfortunately situated at the conclusion of the first year, what will be his position at the dawn of the third, when the allowance is reduced to two shillings and sixpence per week, and from which insignificant sum his usual periodical contribution is deducted? If these societies be established for the purpose of providing against the contingencies of ill health, surely that portion of our invalided condition which is fraught with the most disastrous consequences, and stands most in need of consolation and provision, is not the last to which our forethought or our philanthropy ought to be directed.

There are, indeed, cases where members become subject to partial but permanent disability, such as paralysis, blindness, loss of limbs, &c. These cases, which happen during every period of life, may indeed be both more kindly and more equitably met by a reduced allowance, with permission to follow what employment the maimed member could procure, and for which he found himself in any degree competent. For it must not be forgotten, the rule in Friendly Societies generally is, to refuse even the reduced allowance of a half-crown per week, and even to expel the member for a fraudulent violation of the law, if he be detected engaged in the slightest profitable occupation. This has been, in many cases, the cause of a resumption of ordinary labour long before the patient had sufficiently

recovered to safely and profitably pursue his avocation, and sometimes of throwing others totally out of the society.

A reference to the tables inserted in the third chapter will, however, demonstrate (independently of its undesirability from a simply humane or even a provident point of view) that the continuance of the present system involves the retention of a financial difficulty of no slight importance. I have previously stated that one great cause of the failure of these clubs may be found in the fact that the amount of sickness experienced after sixty-five or seventy, is not only more excessive than was originally anticipated, but that it is of too uncertain a character to form the basis of a Friendly Society insurance, even where every other condition of safety is scrupulously attended to. A few facts from these tables will render this strikingly apparent.

Dr. Price gives the expectation of sickness at age thirty-five, at a trifle more than one week per member; and, at age seventy, at about three weeks and one half.

The Highland Societies' tables say, at age twenty, the expectation is rather more than half a week per member; at age sixty-five, not quite four weeks and one half; at age seventy, nearly eleven weeks!

Mr. Ansell's experience gives, at age twenty, the average sickness at rather more than seven-tenths of a week; at sixty-five, at more than five weeks and one half; at seventy, at more than eleven weeks and one half.

Mr. Neison's data give rather less than one week as the annual average sickness till the age of thirty-six; at

sixty-five, at nearly seven weeks and three-quarters ; at seventy, at about fourteen weeks ; and at eighty, nearly twenty-seven weeks !

Mr. Ratcliffe's experience gives, at twenty, little more than half a week ; at sixty-five, more than six and a quarter ; at seventy, about nine and a half ; at seventy-five, nearly fifteen ; at eighty, nearly twenty weeks.

Mr. Finlaison's quinquennial returns to 1850, give at twenty, nearly a week ; at sixty-five, nearly four ; at seventy, about six and a quarter ; at seventy-five, about nine and a quarter ; and at eighty, about fourteen weeks !

If we place the four most reliable authorities in juxtaposition, we shall find the following discrepancy after age sixty-five :—

	Age—65.	70.	80.
	Weeks.	Weeks.	Weeks.
Ansell.....about..	$5\frac{1}{2}$	$11\frac{1}{2}$	No data.
Neison .....	$7\frac{3}{4}$	14	27
Ratcliffe .....	$6\frac{1}{4}$	$9\frac{1}{2}$	20
Finlaison .....	4	$6\frac{1}{4}$	14

Mr. Ansell's experience extended over upwards of 24,000 years of life ; Mr. Neison's, upwards of a million ; Mr. Ratcliffe's, three-quarters of a million ; and Mr. Finlaison's, a million and a half. If, therefore, the results are so uncertain when tested by data of such magnitude, how can any rational mind anticipate the

clubs numbering from twenty to three or four hundred members each will be able to calculate their liability to sickness, after the periods referred to, with the most remote hope of even an approximation to the truth? Certainly, from this cause, from this uncertainty, many lodges and sick clubs have become insolvent, while their neighbours, acting upon precisely similar financial laws, have accumulated so much capital that they have been tempted to break up the society, and divide the profits amongst them.

The only remedy to this potent evil is the limitation of the insurance for sickness to the age of sixty-five or seventy, and the establishment of a permanent annuity for all members who survive that period.

So far as I have been enabled to learn from much personal communion with the members of Friendly Societies, the proposition for the substitution of an annuity, in the place of a sick allowance, during the latter period of life, is regarded with general favour by them. As the standard of sickness, in Friendly Society parlance and law, is invariably the incapacity of a member to follow his employment, it will readily be perceived that a large proportion of the members engaged in what is termed heavy labour would, if they survived to the ages referred to, be almost permanently upon the sick fund. The aged members, too, generally find great difficulty in sparing the amount required for their contributions. It would be infinitely preferable if the in-payments were calculated so as to cease on the commencement of the receipt of the annuity. This would



prevent many deserving members from being thrown out of a society through inability to continue their periodical subscriptions. Others would be stimulated to greater economy and exertion, in order to provide for benefits so desirable, during that which otherwise might be the most dependent period of their lives.

To some extent, I am aware that the practice of granting annuities has already been adopted by certain Friendly Societies, but often, I have found, upon very imperfect financial arrangements. The provisions of the 13th and 14th Victoria, re-enacted in the recent consolidated statute, introduced with a view to remedy this imperfection, may, however, be said rather to impede than advance the introduction of this principle into the older sick clubs and affiliated bodies. The law now extends its protection to all Friendly Societies that may present themselves for enrolment, whether their tables of rates have been certified or not. The *uncertified* societies were originally distinguished from the *certified* by being described as merely *provisionally* registered. But this, practically, was, however, unimportant. Each class received the same protection from Government. The legislature thought it the wisest course to leave the necessary financial improvements to the advancing intelligence of the members themselves, rather than to longer leave the accumulated capital of a large number of societies to the mercy of designing knaves, who might ingratiate themselves into the confidence of honest and provident, though humbly-educated, men, and afterwards plunder them with legal impunity. But there

nevertheless exists a condition without which a society cannot be provisionally registered. In the case where a club promises a deferred annuity in any shape, the tables must bear the signature of an actuary, or the law declines to afford protection to the accumulated capital.

Of course it is unnecessary for me to say here anything in furtherance of the necessity which exists, not simply for that portion which relates to annuities, but for all and every financial element of friendly society assurance, being the result of sound calculation based upon the experience of the past. This is now acknowledged by all intelligent members: the difficulty exists in the necessity for indoctrinating the mass of their more humbly-educated brethren with some of the more recondite principles which such past experience has revealed, before practical legislation can take place. The existence of the clause referred to is, however, as I have already said, detrimental, rather than otherwise, to the cause of progress. Even the more intelligent members of the self-governed Friendly Societies object to the compulsory production of such a certificate as the price of legal protection to their funds. Others look upon the affair as the result mainly of a professional hankering after fees, or as a kind of mysterious Government patronage of certain favourites who have little knowledge of, and less sympathy with, the habits and feelings of the mass of the provident population. Doubtless the clause was never intended to operate prejudicially to the free action in-paid by the same statute to the working men's institutions, as they hitherto have seldom contracted for

annuities, either immediate or deferred. But the calculation of a “superannuation,” or deferred annuity, is a matter of much greater ease and certainty than that of a sick allowance after the age of sixty-five. Nay, I have demonstrated that the best tables extant are valueless in the case of the latter class of insurance; and I venture to assert that ere long it will be expunged from the rules of all well-governed bodies. And yet, forsooth, working men may operate in this dark, this unexplored region of friendly society finance, without the certificate of an *actuary to a Life-assurance Company of five years’ standing*, but not in the path which is well known, not merely to actuaries, but to any ordinary arithmetician! Perhaps, however, Government wisely judged that *actuaries of Life-assurance Companies*, as such, did not know more of sickness experience than many intelligent members of these societies, and therefore confined their operations within the sphere of their professional duties. Of course some of the actuaries, being the compilers of tables from data furnished by the past experience of sick societies, stand in a different and much superior position. If, however, Government is determined to maintain this clause, the members of the Manchester Unity ought to insist that the name of their actuary and secretary, Mr. Henry Ratcliffe, be added to the list. Not only is he, as I have shown in the course of this work, the compiler of one of the most valuable series of tables extant, but he has acquired, from his long connection with so numerous a society, an amount of *practical knowledge* on the subject that a hundred years’ experience in a



London, Dublin, or Edinburgh *life*-assurance office could not possibly command.

It is, however, but justice to Mr. Tidd Pratt that I should here state, on my representing to him the necessity of an alteration of the law, with the view to facilitate the introduction of a superannuation payment in the place of a sickness assurance in old age, that he cordially acquiesced, and introduced a clause into the then-pending enactment which would, in the main, have answered the purpose. Owing, however, to a portion of the bill, to which this clause was to some extent subservient, being rejected on a general principle, it was lost, without, I believe, any express condemnation on its own individual merits. It is not, therefore, improbable that, on a future occasion, Parliament may be induced to concede this point to the self-governed bodies.

The present Act of Parliament permits the enrolment of the rules of a society which engages to provide an assurance at death not exceeding £200, and an annuity not exceeding £30 per annum. The question has, on several occasions, been raised, whether or not it was practical to engraft on the constitution of the Manchester Unity a kind of supplementary or branch society, with a view to provide this additional assurance. The desirability of such an extension appears to be pretty generally admitted; but there exist, unquestionably, difficulties of no ordinary character in the way of its successful practical development. As the members of the society generally advance in knowledge of the principles of statistical science, these difficulties will, how-



ever, gradually disappear. It will be seen, from the following report presented by the Grand Master and Board of Directors to the deputies assembled at the Annual Moveable Committee of the Order, held at Leicester in June last (1859), that much progress has already been made; and that, although immediate legislation is judiciously discountenanced until the subject has received further consideration, it is highly probable that some future annual meeting will be enabled to present to the other affiliated bodies a successful practical example of an extended insurance commensurate with the variety of means and requirements of the several classes of which these societies are composed:—

#### “SUPPLEMENTARY ASSURANCE ASSOCIATION.

“At the Swansea Annual Committee the following resolution from the Birmingham district was referred to the Grand Master and Board of Directors:—

“That the next A.M.C. take into consideration the propriety of establishing an insurance fund, for the purpose of granting insurances on the lives of its members for sums of £20 to £200, as allowed by the 18th and 19th Vic. cap. 63; such sums to be in addition to the present funeral gift allowed by lodges.

“The Directors therefore appointed a sub-committee, to carefully examine the rules of kindred institutions, with the view to ascertain the practicability of engrafting a ‘Supplementary Assurance Society’ upon the present constitution of the Manchester Unity: the sub-

joined code of rules necessary for the practical development of the principle enunciated in the resolution from Birmingham was accordingly prepared. The Directors however, after carefully examining these proposed laws are not prepared to recommend the formation of such 'Supplementary Assurance Fund' at the present time although they regard the suggestion from Birmingham as well worthy of the best consideration of the members of the Unity. That some such expansion of the great principle of provident self-reliance is highly desirable they fully admit. Their objection to immediate legislation upon the subject rests entirely upon the practical difficulties with which the question is surrounded, and especially in the formation of a governing body calculated to satisfy the wishes of those who may be induced to join the Supplementary Society, as well as those members of the Manchester Unity who would decline availing themselves of the opportunity for additional assurance. The Directors are of opinion that further discussion of the details of the proposed measure, outside the walls of your legislative assembly, is necessary, before they can with confidence recommend its adoption in practice. They trust, however, that the suggestion will not be lost sight of, but after the various districts of the Unity shall have duly considered the matter, and generally pronounced an opinion favourable to the proposed extension, that the diligent attention of the members will be found competent eventually to devise such a scheme of government as will not only meet the requirements of the Registrar of Friendly Societies, but secure the

approval of all parties interested in the prosperity of our institution and in the moral and social well-being of the community at large.”\*

The development of some such supplementary assurance would constitute a species of Widows and Orphans' Fund on a reliable basis very much superior to the majority now in existence. Of course that class of fund is alone referred to which professes to provide a certain bonus or periodical stipend to *all* the subscribers. The great bulk, however, of the Widows and Orphans' Funds in connection with the affiliated bodies cannot strictly be regarded in the light of assurance societies, as an exceptional though most valuable benevolent or charitable element enters largely into their composition. The relief so granted is not the absolute right of the individual member in the ordinary assurance sense, the well-conducted poor amongst the widows and orphans of the deceased members alone participating in the grants.

One item of supplementary insurance is gradually becoming more popular amongst all societies. I refer to the provision, by a yearly contribution, of medical advice and medicine during sickness. It has been asserted that the Manchester Unity pays the sum of £50,000 per annum for this item alone. This, however, must be an error. The rate varies in the several districts from 2s. to 5s. per member. If we take an average of 3s. 6d., which is above the mark, it would necessitate the fact that all the members of the Unity subscribed to this

\* The rules referred to in the report will be found in the Appendix.

assurance. Such, however, is not the case. Many lodges have either not yet discovered its importance, or have been unable to procure a surgeon with a satisfactory reputation upon the terms offered.

Several reasons might be advanced to show the desirability and even necessity of this special assurance forming an integral portion of the constitution of every Friendly Society. In the first place, one of the most expensive items, in either a short or a lengthy sickness, is unquestionably the doctor's bill; and especially to a working man, if he employs first-class skill and uses medicines of the best quality. I have known instances where this expense has trebled the amount of the sick allowance itself. It is further an advantage to the member, inasmuch as he can honestly avail himself immediately of professional advice in many of those apparently trifling cases, which too often prove the forerunners of more lingering sickness or aggravated suffering, and which otherwise would be treated with partial indifference, owing to the fear of incurring expense. I have heard of a sagacious emperor of China, who so thoroughly understood the healing art, that he not only, like some of the members of Friendly Societies, contracted with his physician for professional attention by the year, but he likewise stipulated that the salary should be forfeited during every day the health of his celestial highness sunk below a certain hygienic standard. The improved general health of the members is not simply of advantage to themselves, but it saves the funds of the lodges to a considerable extent. The



very circumstance that the candidate for initiation is called upon to produce a certificate of good health from the surgeon, who agrees to contract for his future medical requirements, is in itself a most valuable safeguard against the admission of unhealthy persons. Many individual Lodges have suffered severely from neglect in this particular. It would be not only a curious but an instructive investigation, which had for its object the discovery of the relative amount of sick allowance claimed by the members who insured for medicine and medical advice, and by those who declined this provision.

A clause in the Act which preceded the recent consolidated statute limited the legal claim of any one member for sick allowance to a sum not exceeding 20s. per week. It did not meet with the approbation of the members generally, and was therefore expunged from the Act of the 18th and 19th Victoria.

Perhaps the legislature is not the proper authority to fix the precise limit to such an assurance; but the necessity of *some* limit is not therefore the less imperative. It is the duty of every member to guard the funds from imposition of every kind and degree. No individual ought to be permitted, *by the laws of the Club itself*, to assure for the receipt of a *larger* sum during sickness than the amount of his weekly wages, otherwise a premium is offered to imposition, and the provident objects of the society frustrated. Nay, a *bonâ-fide* assurance can only be honestly effected for something less than the weekly stipend. Yet it is not an

uncommon circumstance to meet with members who, by joining two, or even three societies, have been in receipt of a much greater income during sickness than when in health and in full employment. It will not require *very severe* indisposition to place such members on the sick list; consequently, the aggregate claims must be largely increased where such a practice is tolerated. The evidence tendered by Mr. Sanders, of Birmingham, before the Select Committee of the House of Commons, in which he produced facts gathered from the actual experience of a large society with which he was connected, demonstrated this position to a mathematical certainty.

## CHAPTER XIV.

OBJECTIONS : ANNIVERSARY DINNERS—THE REGISTRAR'S  
DUTIES—PUBLIC-HOUSE MEETINGS—REGALIA—BURIAL  
CLUBS AND INFANTICIDE.

IT is but just to the members of the elder Friendly Societies, after the errors into which they have fallen have been pointed out with a view to the adoption of means for their improvement, that full credit should be given them for all the good they have effected. This, unfortunately, has been too often neglected by parties who have thought proper to denounce, in most intemperate language, their real and imaginary errors or imperfections. I have sufficiently shown in the course of the present work, that the cause of these errors has not been the want of integrity, but the absence of knowledge. The honest working man, of course, feels deeply offended when he hears himself and friends classed amongst the "fools," "humbugs," and "knaves," by whom society is daily and hourly victimized ; and especially so when such uncourteous denunciation is dealt forth by parties, *some* of whose statements *he knows* to be false, and whose motives he has, perhaps, some little show of reason to suspect. But the mischief does not end with the expressed or implied indignation. When partially-educated men discover that their case is eagerly trum-

peted forth to the public as worse than they know it really to be, they at once denounce the *whole of the assertions* of the offending party as false and slanderous; and thus the communication of much information which, perhaps, might have been well worthy the serious attention of the provident operative has been productive of no beneficial result, but, on the contrary, has engendered fierce and bigoted opposition. This discourtesy is a fatal mistake; unjust in principle, impolitic in practice. Let us cheerfully give the founders of the old Friendly Societies, imperfect though they be, every credit for the good they effected in their day and generation. It must not be forgotten, that without the experience of these old institutions, the present improved tables of the rates of sickness and mortality could not have been compiled. Great praise is justly due to those enterprising pioneers in the march of social amelioration, who gallantly launched their frail bark on the then unexplored ocean of vital statistical science, with no other chart or compass than the honourable desire to save themselves from dependence and pauperism in seasons of affliction, and their friendship, love, and charity towards their fellow-men. Let us rather encourage spirits like these to continue the application of the same energies, the same integrity of purpose, the same practical common sense, to the important question of financial improvement. The great difficulty has arisen from the obscurity of the subject itself. Vital statistics is, as yet, but a new-born science. Vast numbers, even amongst the middle and upper classes, know little or nothing of its teachings, beyond the most simple



elements. How can it, therefore, be expected that the industrious labourer, whose time is occupied by toil, whose early education has been neglected, or at the best but imperfectly attended to, should be the first to understand the whole of its mysteries and revelations? It is evident to all who have *practically* as well as *theoretically* examined the great question of Friendly Society finance, that some time must elapse before anything approaching perfection can be arrived at, except, perhaps, by a limited number of ordinary sick clubs and a few of the more intelligent branches of the larger affiliated bodies. The thing cannot be effected either by a *coup de main* or a *coup d'état*! It has cost years of labour to convince the educated upper classes, and even the legislature itself, that matters infinitely less abstruse required amendment; and surely more rapid intellectual development ought scarcely to be expected from the relatively very humbly-educated legislators of a working men's Friendly Society. Some little patience, some little forbearance, and some little sympathy may be fairly claimed for them and their efforts in this, to them, novel and difficult field of operation.

Whatever evils have resulted, or may eventually result, from the imperfect financial system adopted by many of these societies, have been borne and will have to be borne by the members themselves. They are their own law-makers, and, consequently, as they advance in knowledge, they will, for their own advantage, gradually introduce such improvements as experience may demonstrate to be necessary. It is scarcely right, even, to say

that a club founded upon insecure financial principles is a positive evil. While it does exist, it is continually dispensing good ; when it collapses, it merely ceases its previous commendable action. Those who fail to receive the assistance they anticipated, know that the misfortune lies at their own doors. In the self-governed bodies they have no honorary mis-management to throw the blame upon ; while they have the satisfaction of knowing that the money subscribed has at least been productive of a vast amount of benefit to their more unfortunate brethren. I have often heard past officers of the lodges in the Manchester Unity say that, if the branches to which they belonged should, unfortunately, be compelled to suspend payment when they became old and liable to heavy sickness, they should not, on that account, regret the loss of their periodical subscription, simply because, in the spirit of true philanthropy, they did not perceive in what way they could have better spent the money. And the very men I refer to, it must be understood, are stanch advocates of the most full and complete reform of all financial imperfections, and have made, and are yet prepared to make, heavy personal sacrifices in order to effect so desirable a consummation.

But, say a certain class of objectors, setting aside the question of financial imperfection, these clubs have been productive of a vast amount of drunkenness, owing to their meeting and feasting at public-houses ! I have reason to know that Mr. Tidd Pratt has been much pestered by certain narrow-minded, ungenial-hearted,

members of parliament and others, who regard the slightest convivial enjoyment by working men as little short of open profanity. These *quasi* saints, on finding a registered law referring to a Friendly Society's annual dinner, fall foul on the Registrar for neglect of duty, and bore him with such questions as,—“Does the law recognize eating and drinking as one of the objects of a Friendly Society? Do you consider feasting and guzzling to be reasonable and proper under such circumstances?” And so on to the end of the chapter. I have been given to understand that to some such pressure the recent change in the Registrar's sentiment, or, at least, in his practice, in this respect, is to be attributed. I, however, respectfully but firmly maintain, that in interfering with the anniversary dinners, he not only exceeds his duty, but creates a vast amount of useless litigation, and engenders some duplicity. Many lodges of the Manchester Unity, even, to my own knowledge still act upon the rule rejected by the Registrar, because he has certified the general law of the order which empowers them so to act. In case of litigation, they know that the board of arbitrators, appointed by the general law and accepted by the branch lodge, will decide in their favour. If Mr. Pratt chooses to create an inconsistency, he must not feel surprised that other individuals refuse to be parties to it.

But, it is argued, the Act of Parliament makes no mention of anniversary dinners, and, therefore, how can Mr. Pratt be supposed to legally tolerate them?



Granted: the Act certainly makes no allusion whatever to anniversary dinners. It likewise makes no allusion to regalia or emblematical devices of any kind. It makes no allusion to the meetings taking place at either temperance hotels or public-houses. It makes no reference whatever to any method of advertising the existence or the place of business of any society. In fact, its shortcomings in this respect are really enormous. But the legislature wisely, and no doubt, intentionally, left the management of their own business to the practical knowledge and good sense of the people themselves. However, be this as it may; on the other hand, it may be asked, Does the Act prohibit anniversaries? I answer, No! Does any other Act prohibit the members of any other legal society from dining together once a year, or oftener, if they prefer it? I say, No! Are the members of other societies in the habit of dining together? I answer, Yes; hundreds, of every class and character, including bodies religious, bodies politic, bodies corporate, bodies social, bodies literary, scientific, and artistic, not forgetting the poor pauper bodies, who, doubtless, enjoy amazingly the extra Christmas fare occasionally provided for them! Has it been customary for the members of Friendly Societies to dine together? I answer, Yes, from time immemorial; and the members of the legislature knew the fact when the Act was passed! These anniversaries and processions are generally attended by the clergy or some of the neighbouring gentry, and are really, in country districts especially, the means by which such societies and their objects are



prominently brought before the notice of working men. It appears, however, that all philanthropists are not imbued with this, to me, very vulgar prejudice against Friendly Society anniversaries. I find that the Rev. Nash Stephenson, in a clever paper read before the meeting of the "National Association for the Promotion of Social Science," at Liverpool, on the moral and social evils arising out of what are termed "statute fairs" in various parts of the country, thus incidentally alludes to the question :—

"Let there be mingling of class with class. Let the squirearchy and the clergy and the employers of labour, *uphold by their purse and sanction by their person, the anniversary of the well-ordered Benefit Club, the harvest home, or the parish feast.* When this has been accomplished or attempted, the upper classes will be enabled with a better grace to ascend the public platform, and, with a clearer conscience, denounce the demoralising amusements of the day of the statute fairs."

I have long ceased to feel any personal enjoyment from feasting in public, and care as little for processions and gewgaws of any description as most other individuals; but I submit that the permission granted by the registered general law of the Manchester Unity to its branches, to act in this respect, within certain restrictions, as may to themselves seem most desirable, is valid, according to the law of the land, and that Mr. Pratt exceeds his duty, and most certainly does not add to the dignity of his office when he condescends to interfere in such matters.

The directors of the Manchester Unity and the executive of other affiliated bodies are being continually appealed to by the members of branches for advice on, and protection against, what they consider undue interference on the part of Mr. Tidd Pratt, or his clerks. This petty interference has at length become so intolerable, that a movement, originating in the metropolitan districts, and warmly responded to in various parts of the provinces, has been inaugurated, with the especial object of procuring the repeal of the eighth clause of a neat little specimen of official legislation, which contrived to slide so noiselessly through both Houses of Parliament, that not a single footstep in its stealthy march reached the ears of the great bulk of those most interested until it was too late for combined action. This eighth clause empowers the Registrar or an actuary to "wind up" any society on the application of one-fourth of the members. The previous Acts required the consent of *five-sixths* to such a procedure.

Certain other eccentricities of the Registrar or his clerks, and the arbitrary assumption of authority never delegated by the Act of the 18th and 19th Victoria, have latterly provoked severe animadversion in several quarters. The newly-organized effort of the members will, doubtless, not be confined merely to the repeal or amendment of all or any of the nine clauses in the recent statute; but will include the enactment of a section more precisely defining the duties of the Registrar and the nature of his tenure of the office.

The Act of Parliament in no way authorises the

Registrar to do more than ascertain, by a perusal of the rules of any society applying for registration, whether the objects are such as the law contemplated, or, in fact, whether such application is for the enrolment of a *bonâ-fide* Friendly Society within the limitations of the statute. Some such registration was deemed necessary for many reasons, some of which have, however, happily become obsolete. No sane man dreams, now, of treason lurking beneath the formula of a provident institution. It has been found, however, that members of societies other than those of the class intended by the legislature—societies instituted for the professional and middle classes generally—are sometimes extremely anxious to avail themselves of the immunities and privileges accorded to the provident operative; and, therefore, Mr. Pratt's services in this respect may be essentially requisite, in order to prevent the intention of the legislature from being perverted. But when the expressed conditions of the Act are complied with, I respectfully but firmly submit, the Registrar's official duty terminates. He is in no way called upon to *dictate*, either directly or indirectly, the rates of subscription or benefit, or to enforce the acceptance of any improvement which he may imagine he can offer in the construction of the rules or by-laws by which societies are governed. Mr. Pratt has replied, in answer to some such objection to his occasional practice, that the twenty-sixth clause of the Act empowers him to *advise* with the secretary or other officer, "for the purpose of ascertaining whether the said rules are calculated to carry into effect the intention and



objects of the persons who desire to form such a society." I was not previously aware that the authority of an Act of Parliament was necessary to empower any well-meaning friend to *advise* upon such a subject or indeed upon any other. A careful reperusal of the clause, however, has left an impression that the legislature (wisely, in my opinion) especially intended, by the very sentence referred to, to prevent any unnecessary interference with the free action of the members themselves in the practical carrying out of the proposed objects, for it expressly says that the Registrar shall *advise* "IF REQUIRED." Nay, it further adds, that if he shall find the "*rules are in conformity with law and the provisions of this Act, he shall give a certificate*" in the form prescribed. The self-dependent people of Britain will ever refuse to accept gratuitous advice as to the management of their own affairs, by whomsoever tendered. Mr. Pratt's official duties are, to some extent, inconsistent with the office of confidential adviser. Many of the members look upon him in the light of solicitor to the government, and consequently regard with suspicion rather than confidence any recommendations, however valuable in themselves, which emanate from such a source.

But the interference complained of is generally of the most trumpery character. Let us examine a specimen or two of the alterations which have so annoyed members seeking enrolment, and *frustrated, to some extent, the efforts of its advocates*. In the first place, although he has registered the "General *Laws*" of the Manchester Unity, and many others similarly entitled, he has latterly



pertinaciously struck his pen through the treasonable word *law* wherever he meets it, and substituted—what does the reader think?—the innocent monosyllable *rule*! Summoned *committee* of the lodge or district is transformed into summoned *meeting*, and a member's *legal* claim into his *valid* claim! The Registrar cannot endure the sight of the word *goods*, although he is aware that it merely refers to copies of reports, dispensations, magazines, &c., which are paid for out of the *incidental*, or, as he prefers it, *management* expenses fund. But *regalia* is his especial horror. His editorial judgment decides in favour of *furniture*, for which specimen of critical acumen he is occasionally honoured, by even the humblest members, with a peal of hearty laughter. Truly, the lodge-desk, chairs, boxes, or stools might properly be so designated, or they might rejoice in the offensive and somewhat less euphonious appellation of *goods*! But how sceptres and swords, cocked hats and wigs, collars and gowns, stuffed doves, and representations of the sun, moon, and stars, or of the hand and heart, mounted on the tops of long rods, can be better described by the word *furniture* than the word *regalia*, I freely admit is beyond my capacity. Mr. Pratt, or his assistant, occasionally exhibits, like other industrious critics, his liability to error in common with ordinary humanity. On a recent occasion, in a somewhat rabid raid against the term *legal*, remarkable in so distinguished a member of the bar, the favourite word *valid* accidentally, I suppose, ejected the term *illegal*, to the utter consternation of the members, who were for a time puzzled to discover how

that which they had all along regarded as erroneous or false had surreptitiously arrogated to itself the appellation and office of truth and virtue ! In another instance, in an effort at tinkering a by-law, he inadvertently caused it to read in such a way as to indicate that a sick brother was required, for the benefit of his health, to stay at home from four in the morning till nine at night ! By this the invalid was consoled for his daily imprisonment with the questionable privilege of roaming about the neighbourhood while stalwart fellow-workmen were cosily asleep in bed. In another instance, which has created much merriment, his inveterate objection to the term *regalia* caused an alteration of the law, by which the members were prohibited from following to the grave the remains of a deceased friend with anything upon their brotherly bodies except black scarfs and white *gloves* !

It is certainly a pity that the labours of those who are toiling to induce all societies to submit their rules for enrolment should be in any way obstructed by the exhibition of such ridiculous and unnecessary interference. There could not be much objection to the Registrar offering his advice, unsolicited, like any other gentleman, providing he would so impart his opinion as not to confound it with his official duty. There are many matters upon which his authority would be respected if communicated in the form of a suggestion ; as there are, with equal certainty, many others concerning which it would be much better for the progress of enrolment, especially amongst the affiliated orders, if he would cease to interfere. If, however, he or his clerks will persist in the

practice of pasting a pet form of rule over any sent for enrolment, and if he or they are still determined, without solicitation, to do a little amateur editing, it is but an act of simple justice that the position which he, as Registrar, *demand*s “in conformity with law” should be clearly indicated, if it be only to enable the members seeking enrolment to correctly estimate the value of the supererogatory labour, and mete out a due portion of grateful acknowledgment.

It has latterly pleased certain professed philanthropists to stigmatise the bulk of the working men’s provident institutions as societies for “jolly improvident good-fellowship,” eating and drinking forming their chief attractions! It is likewise contended by many who know and acknowledge the falsehood of this random assertion that, owing to their meetings being held at public-houses, they must have a tendency to promote intemperate habits amongst the members. This at first sight appears so conclusive that many have, without much reflection, adopted it as a self-evident inference. It may, perhaps, appear startling that I should, after eighteen years’ practical experience in connection with the principal society, express my conviction that, so far as it is concerned, at least, the very reverse is the fact! Nay, I am free to confess that, in my opinion, the Manchester Unity of Odd Fellows has, with the single exception of the institution which has made the propagation of temperance, or rather teetotalism, its speciality, done more to promote improved habits in this respect than any other society extant. One of the principal points in its



lectures is an injunction to temperance in all things. Its laws have for years distinctly prohibited any contributions being expended in liquor. Members are severely punished if seen intoxicated when in receipt of the sick allowance. Habitual drunkenness subjects the offending member to expulsion ; a somewhat serious penalty to a working man after he has contributed several years to his society. Any member appearing in a lodge-room in a state of intoxication is subject to a fine ; and yet, to the credit of the body be it said, with one or two unimportant exceptions, I have never seen any necessity for enforcing this rule.

But there are other facts which bear out still more strongly my position. There can be no question that many lodges have been opened chiefly through the instrumentality of publicans, with a view to the improvement of their business ; but has the speculation generally proved successful ? Most certainly not. During the two years I held the chief offices of the Preston district five out of the five-and-twenty lodges were compelled to remove to other houses, because the landlords' profits were not sufficient to cover the expenses of lighting and cleaning the rooms ! At the present time it is a very common thing for the members of a lodge to pay a rent varying from a few shillings to five pounds per annum for the use of the apartment in which they meet ; and this tax is submitted to from a conviction on their part that the host is not otherwise remunerated for the accommodation afforded. The Manchester Unity and most other societies do not patronise public-houses, as such. Large numbers of the members are themselves teetotallers. A majority can,



when they feel so disposed, remove a lodge to a private room, a school room, or, indeed, to any respectable place which may be suitable for the transaction of the business ; and, accordingly, many lodges do meet in such places, as well as in temperance hotels and Odd Fellows' halls, both with and without public-houses attached to them. A series of suitable rooms, where fifteen different societies meet, was opened by the Liverpool branch of this body during the past year, and I know of several others of a similar character in various parts of the kingdom. This disposition to meet in private rooms appears to be gradually extending throughout the Unity. But while the people, or any important section of them, frequent public-houses, it is infinitely better that *they* should be encouraged to form branches of such institutions rather than that they should *remain improvident*.

It is somewhat singular that the working men's practice in this respect should have met with so much severe reprehension, while in many parts of the country the county magistrates assemble in the very same rooms for the purpose of dispensing justice in the name of the Queen ! In fact, it is not generally choice, but necessity, which compels both parties to avail themselves of the only accommodation available.

It appears there always were, and it is highly probable there ever will be, while man retains his social characteristics, such places as public-houses, no matter what class of beverages may be therein consumed. A temperance hotel is, to all intents and purposes, a public-house, and not always, by any means, the most cleanly of the

class. The true direction of philanthropic labour in this particular is towards the elevation of the general standard of taste, and the introduction into fashionable use of beverages of a less objectionable character, both for public and private assemblies. A large amount of frothy eloquence is occasionally spouted forth respecting the drinking habits of the *working* classes ; and we are sometimes gravely told that the wicked sinners actually “moisten their clay” with more than one-half (in value) of the quantity of intoxicating liquor consumed by the entire population. What Solon compiled the statistics referred to I cannot tell ! But according to the income-tax returns, the number of persons in England and Wales whose pecuniary means exceeds one hundred pounds per annum is much less than half a million. I will, however, grant a whole half million to the middle and upper classes. Still it appears we have about thirty-three times as many throats on the working-men’s side of this “guzzling” question to swallow the somewhat larger half of the liquid abominations referred to. But, as Shakspeare bravely says,—

“Through tattered clothes small vices do appear ;  
Robes and furr’d gowns hide all.”

Mr. Neison, in his Contributions to Vital Statistics, after showing that the duration of life amongst the members of Friendly Societies exceeds that of the general population, says:—

“The blessings thus bestowed on the frugal and industrious workmen of the country composing Friendly

Societies, in having granted to them, as appears by the present inquiry, a prolonged duration of life, must therefore be regarded as a really *true and distinctive feature of that class of persons, and is no doubt the result of their simple and uniform habits of life*, and the more regular and natural physical exercise to which they are habituated."

The fact is, the working man, as a rule, is not the habitual drunkard. Heavy drinking and working are incompatible for any lengthened period. The working man who gives the time cannot earn the necessary funds. Every class, in fact, furnishes its share of drunkards, as wells as charlatans and swindlers. Nay, it would appear that latterly the middle and upper classes have done a trifle more than their just proportion, in at least one or two of these departments.

There is yet another grievance somewhat angrily denounced, to which I must devote some attention. The members of Friendly Societies have been pretty soundly rated by the wealthier "friends of the working classes," for their reckless extravagance, and especially in one item. It is generally described as "trumpery regalia." Mr. Pratt, I have shown, entertains a most profound contempt for the said "trumpery," however graciously he may tolerate the absurd horse-hair wig and other professional paraphernalia peculiar to courts of law; however benignantly he may smile on the Lord Mayor's clumsy and tawdry gilt-coach, or the button-bedizened biped, yclept a gentleman's tiger. Mr. Pratt is, by no means, alone in this peculiar kind of critical or appre-



ciative paradox. "That in the captain is a choleric word, which in the soldier is rank blasphemy."

Now, I have very little love for the aforesaid trumpery, whether it be exhibited in the form of an Odd Fellow's sash or apron, a corporation robe or mace, or a ducal heraldic monstrosity; whether its fascinations are embodied in the outlandish paraphernalia which grace the processional displays of the Ancient Orders of Druids and Foresters, or the more dignified "progresses" of the honourable chief civic functionary of the city of London, whose legitimate importance is doubtless much enhanced in the eyes of both the ignorant and genteel species of vulgar people, by the solemn parade of the huge ugliness presented by the barbarously-carved big dolls, purporting to represent the mythical guardians of the ancient city—the stalwart Gog and Magog! Nay, I have done something myself in the way of discountenancing the expenditure of much money in this direction; but a strong suspicion has lately crossed my mind, that the originators of these societies were wiser in their generation, in this respect, than either I or the actuaries. Forms, ceremonies, manners, and customs change, but human nature ever remains at the root substantially the same. The modern plan of introducing a new idea to the public, consists chiefly in the profuse expenditure of money in advertising and puffing. This is especially the case with regard to patent medicines, sporting prophecies, and joint-stock companies. Thousands of pounds are annually expended in this manner by the promoters and managers of insurance offices. Agents and "touters"



are rewarded with heavy percentages for obtaining policies; sumptuous offices are erected, resplendent with plate-glass and French-polished mahogany. For what? Wherefore all this lavish display, all this “trumpery:”—no, not *trumpery*;—all this *real*, and, consequently, most expensive splendour? Why, learned actuaries say they have discovered that, in order to get business, it is necessary to make your office and your objects known; and that ten thousand pounds judiciously expended in this manner, during the first year of a society’s existence, is a capital investment! From certain recent exposures, it would appear that these gentry are not always either the cheapest or the best of managers. Now, the Odd Fellow and other Friendly Societies’ processions have really proved a much more effective system of advertising than that of their wealthy imitators. Their “REGALIA,” once purchased, lasted for years, and was even convertible into cash, when its further use became, locally, unnecessary. Not so the advertising machinery of the modern scientific school. Odd Fellowship has expanded over Great Britain and her colonies; while hundreds of similar societies have sprung up around it. No expenditure, however great, in the manner adopted by the modern “*scientific*” Insurance Companies, could have commanded such a success, for the simple reason that it neither is nor was adapted to the education, taste, or condition of the people addressed. This most important fact, or rather principle, is too often overlooked by wealthy philanthropists, in their efforts to communicate with the “people;” and hence, to some extent,

the relatively inadequate harvest realised from their labours.

There appears, however, at the present time, to be some little reaction going on with respect to Assurance Society advertising. The "respectable" companies, now, generally employ an artist to design for them an allegorical emblem, which they display as conspicuously as the Odd Fellows do theirs. By the by, I find the members of the Lancashire and Cheshire Historic Society (myself included) were last year extremely gratified by a donation of a magnificent silk *guidon*, or flag, which they intend to use precisely in a similar manner, and, doubtless, for a similar purpose, as Odd Fellows, Foresters, Druids, &c., do their banners and other "trumpery." Nay, Sunday-school children, I perceive, under the guidance of clergymen and orthodox teachers, now annually perambulate the streets and squares of our cities and large towns, accompanied by bands of music, and flags and banners, in endless variety. Truly, the unlearned, but clear-headed and honest-hearted artizan appears to have understood his business much better than even his best friends have hitherto suspected !

A few years ago, the public mind was seriously shocked by a statement put forth by most respectable authority, that a fearful amount of hitherto hidden crime was consuming the infant population of the labouring classes, depraving humanity at its very source, and rapidly resolving the boasted civilization of "enlightened England" into something more despicable and atrocious than the lowest exhibition of untutored savageism !

Appalling as this may appear, there was something still more painfully revolting in the assigned cause, and the medium through which it was said to operate. A large portion of the *provident* institutions of the people themselves stood directly charged with being the principal cause of the excessive infant mortality prevalent amongst the operative population; that, in fact, the children of the poor were being savagely butchered to an unknown extent, and principally by their *own mothers*, for the sake of the "funeral money" insured by these societies! The subject received the attention of a committee of the House of Commons, but the case broke down in so contemptibly weak a manner that any attempt to reopen the discussion would be superfluous.\* The results were clearly traced to other causes. It was satisfactorily proved that the coveted possession of the burial money did not engender the determination to murder their offspring amongst any more than a comparatively infinitesimal proportion of the mothers of the working men of England. Some of the arguments advanced would, if worth a rush, have demonstrated not only the murderous tendency of all life assurance, but even of the succession to property of every class. If a woman cannot resist the temptation to murder her infant because its life is insured for £5 in a burial club, how much more would she be tempted to destroy her husband by the prospect of succeeding to the £20 or £100,

\* See two papers on this subject, by the present writer, in *Eliza Cook's Journal*, of March 4th and 25th, 1854.



deposited in the Savings Bank, or invested in any other way whatever? What sort of a temptation does an estate of £50,000 a year offer to a dissipated eldest son, or to a reckless younger brother, backed by the law of primogeniture? It is mere idleness, from the mass of pecuniary temptation to rob and murder, daily and hourly spread before the vitiated and depraved, to single out the provident working men's life assurance for special animadversion. A practice, however, was found to exist in some localities, which was decidedly objectionable on many grounds, *viz.*, the enrolment of the same infant in two or more distinct societies.

All *legitimate* insurance, whether of life or against fire, implies compensation for some *bonâ-fide* loss sustained, and loss of a character, which admits of remedy in the shape of the current coin of the realm. It directly interferes not with human sympathies or affections, whose wounds are healed, but by the application of a balsam compounded of very different elements. If a man were to insure a building worth £1,000 for the full amount in two distinct offices, he could only hope to recover the value of his extra annual premiums by the destruction of his property; or, in other words, he who insures for a higher sum than the pecuniary value risked, stands self-convicted of folly or knavish purpose. Now, the death of an infant under five or six years of age, is not a *pecuniary* loss to the parent, but the reverse, and can therefore not be compensated by pecuniary means. Again, it may be truly affirmed, that a large proportion of the chances of every infant's life



are intimately connected with, and dependent upon, the care and attention of the mother. It is her moral, human *duty* to labour for its life, but her *worldly profit* that it should die. Therefore she cannot legitimately effect a pecuniary insurance on its life. As the child grows older, it acquires a comparative independence of the motherly attention, and becomes of some value to the parents themselves, especially among the poorer classes. Then the case becomes reversed, and a *bonâ-fide* insurance to a limited amount may be pronounced legitimate. Notwithstanding, a mother may still honestly effect an insurance for *funeral expenses* in case of her *infant's* death, because its demise might find her unprepared otherwise with the necessary means to meet the cost of decent interment, and such assurance would not produce to her any positive pecuniary benefit owing to the death of the child. So far there can be no rational objection to infant burial societies, provided efficient steps be taken to prevent any further assurance being effected, which might superadd to this simple act of providence, any bonus to the parent on the death of *dependent* offspring. The Act passed in the 18th and 19th Victoria therefore wisely renders it penal to insure for more than £6 on the death of a child under five years of age, and of £10 if the death occurs before the completion of the tenth year. After this period of life the matter is left free from legislative interference.

The great objection, however, to most of the present burial clubs lies in the purely fortuitous or hap-hazard

character of their financial regulations. They present, in this respect, the worst features of Friendly Society error. The following facts are, therefore, well worthy the serious attention of the more intelligent and influential members of these clubs:—

According to Mr. Neison's observations on the mortality of the whole population, as exhibited in the reports of the Registrar-General, it appears that among children under five years of age, between six and seven per cent. annually die off; \* between five and ten years the rate becomes rather less than one in a hundred; between ten and fifteen the mortality is but a trifle more than one in two hundred. The percentage of deaths afterwards gradually increases, but does not reach the amount of infant mortality till after the age of seventy. The expectation of life, according to the same authority, is at age ten, nearly forty-eight years; at twenty, about forty-one years; at thirty, nearly thirty-five years; at forty, about twenty-eight years; and at fifty, rather more than twenty-one years. Thus the weekly payment for a sum at death would, *on the average*, extend over forty-eight years among those parties who enter at ten years of age; while with those who commence at forty-five, the period is reduced to less than twenty-five years.

To place the prevalent error of burial club finance in a still stronger light, and more clearly to exhibit its injustice to one portion of the subscribers, I strongly recom-

\* It must not be forgotten, likewise, that the rate of *infant* mortality among the labouring classes is much larger than among the whole population.

mend to the consideration of the leading members the facts contained in the following table. The burial society is a large club in Lancashire, numbering nearly 30,000 members, and is a fair specimen of its class. The tables of the insurance company are certified by Mr. Finlaison, the Government actuary, and were especially prepared to correct the prevalent error of the popular societies:—

Age on Entrance.	Burial Society.		Insurance Company.	
	Monthly Contribution.	Sum at Death.	Monthly Contribution.	Sum at Death.
15	4 <i>d.</i>	£5. 10 <i>s.</i>	3 <i>d.</i>	£10.
20	4 <i>d.</i>	£5. 10 <i>s.</i>	4 <i>d.</i>	£10.
45	4 <i>d.</i>	£5. 10 <i>s.</i>	7 <i>d.</i>	£10.

It will thus be seen that the burial club's charges are enormously high for the early periods of adult life; that the insurance company more than doubles the benefit for the same premium to parties entering at fifteen years of age; that the monthly contribution for £10 at death varies from 3*d.* to 7*d.*, according to the time of entrance between fifteen and forty-five years of age, while the burial club's terms remain the same! Notwithstanding, the latter has not saved much money. The club I quote does not possess a reserve fund of 1*s.* per member! What can be the cause of this? The answer is obvious. The *infant* assurance is likewise charged at the same rate as the best periods of life! For a payment of 2*d.* per

month the sum of £2. 15s. is assured ! In fact, the subscriptions and benefits remain the same from the first to the forty-fifth year, notwithstanding the vast difference in the liability. The *infant* assurance subscription is, therefore, so much below the true value that it consumes even more than the additional tax upon those who enter when above five or six years of age ! The necessity of adopting a graduated rate of payment according to age on entrance is here strikingly apparent. Not only financial security, but ordinary business honesty, imperatively demands immediate attention to this great statistical fact and financial principle.



## CHAPTER XV.

MANAGEMENT—SELF-GOVERNMENT—SOCIAL  
ADVANTAGES.

IN the earlier period of the existence of Friendly Societies a large proportion of the subscribed capital was expended upon objects which are now generally held to be of minor importance. Benevolent gifts, special rewards for services rendered, expenses of public processions and anniversary dinners, as well as the necessary cost of management, and the amount expended in relief during sickness and the payment of the sum insured at death, were all borne by one general fund. Under such circumstances it is evident that temporary interests and temporary wants were freely and liberally provided for; while the more important but remote contingencies were seriously neglected. It is much to be regretted that many Friendly Societies yet exist which have made but little satisfactory progress in the correction of this evil. It is, however, a source of satisfaction to find that, in spite of prejudice and imperfect knowledge, the value and importance of the measures of financial reform introduced some years ago into the Manchester Unity are now becoming more clearly understood and appreciated by the great mass of the members, and that its

example has operated most beneficially upon kindred institutions. Members of Friendly Societies generally, as I have already shown, do not, even at the present day, sufficiently comprehend the practical operation of the laws of sickness and mortality which necessitate a large accumulation of capital during the infancy of such institutions. The magnitude of the evil which results from the payment of all claims from a common exchequer is consequently concealed from the intellectual vision of the majority, otherwise their sound-hearted purpose and correct moral sense would promptly apply the necessary remedies. The formation of a separate fund for the payment of all minor insurances, benevolent gifts, and the working expenses of lodge, district, and Order, is one of the most valuable legislative enactments of the Manchester Unity. It has not only prevented the indiscriminate profusion resulting from the old practice, but it has attracted the earnest attention of members to the question of management. Direct taxation is ever felt to be a stronger stimulus than indirect, to the efficient supervision of the expenditure of public funds by public bodies. Accounts are examined with greater care, and economy is the invariable cry, where, twelve or fourteen years ago, ill-directed and profuse liberality would have prevailed. Duly qualified secretaries have been evoked by the change; and, upon the whole, although much remains yet to be accomplished, the Manchester Unity and kindred societies have reason for congratulation on the progress already made as well as a hopeful confidence in the future.

No social institution of any great value was ever perfected except by a gradual process, even when the wealth and intellect of a powerful empire have been directed towards its accomplishment. It was not, therefore, probable that imperfectly educated working men, whose efforts were prompted rather by benevolent impulse than by intellectual conviction, would either spontaneously originate a sound financial system, or that they would, without the aid of long experience, be able to manage their affairs with the same order and skill as men specially trained for such purposes. It required centuries of blunder to convince the Legislature of England of the folly and injustice of fixing the value of labour by legal enactment. If these societies, under the circumstances, exhibited a much nearer approach to a sound financial system, the example would, perhaps, be worthy of imitation in high quarters. With all their shortcomings, the members have already achieved infinitely more than certain professional actuaries, and many true friends of progress appear disposed to give them credit. Nay, it has already been shown that one or two of the very acts for which they have been ridiculed and condemned proved of eminent service under the then existing circumstances; that they, knowing the feelings of their class, instinctively hit upon the most efficient means for the accomplishment of their object; and, what is more, that in some respects these very means have been paraphrased by their detractors.

A few actuaries, and some other highly respectable people, are eternally railing about the *mismanagement*

of Friendly Societies. They appear to labour under an impression that if the working classes would only docilely confide their Provident Institutions to their paternal care, they could not only *manage* them much *better*, but much *cheaper*, than those directly interested in their prosperity. Every discrepancy, which from their special and limited field of observation they cannot clearly comprehend, is instantly set down as the result of *mismanagement*. There exists a large amount of popular delusion, amongst even the best intentioned portion of the middle and upper classes, on this subject, which it is desirable should be dispelled. Actuaries may, nay do, understand better than simple working men, the laws which regulate the *science* of health and life assurance, and they are equally competent to their enlightenment in this particular, as a solicitor is to afford instruction respecting the operation of the laws of the land. I have, indeed, heard working men complain that the parallel does not end here. Their bills of costs, are said to be, likewise, of a very formidable character ! On the other hand, scores of the operative members have an advantage over the actuaries, with regard to the practical details, *and of management generally*, and some of them, since the publication by the Manchester Unity, of Mr. Henry Ratcliffe's supplement, have learned to accurately value the assets and liabilities of their lodges without professional aid. It is the union of these two distinct branches of knowledge, that can alone insure complete success in the government of Friendly Societies. Every possible effort ought, therefore, to be



made by the true friends of the people's Provident Institutions, for the purpose of instructing the members in the elements of the science called Vital Statistics; and, as a stepping-stone in this great work, every opportunity should be made available by correspondence with other lodges and districts, to assimilate and improve their methods of book-keeping, so that the necessary information upon which the valuation of a society is based may be readily obtained. It is gratifying to know that the members generally begin to see the necessity for improvement in this direction. In my own neighbourhood, several intelligent Odd Fellows have already effected much good, and are actively engaged in still further extending it.

Doubtless, there has been more than enough of reckless expenditure on the part of many Friendly Societies, *as well as of the upper-class Insurance Companies*, joint-stock banks, &c.! It is, therefore, scarcely surprising that an opinion should prevail, in certain quarters, that the management expenses of Odd Fellows' lodges and other self-governed bodies, are excessive, or that the few "office clubs," established on the principle of the upper-class Insurance Companies, do their business with greater economy and increased efficiency. The statement has been made and often repeated, by what is considered respectable authority; and the partial silence of the majority of the members of Friendly Societies on the subject has doubtless tended to fix this impression on the public mind. But ignorance of the practical details has misled the detractors, of the Man-

chester Unity especially, even in this respect. They have assumed that all expenditure, otherwise than that for sick and funeral allowance, was cost of management. But what is the fact? I will take my own lodge as an instance. It is considered a tolerably well-managed one, doubtless; but, if I know some worse, I know many quite as good, and, indeed, a few better. From the balance-sheet it appears that the *incidental fund* consumes about 20 per cent. of the contributions. But look at the items. About one-half is expended on the minor assurance, for medical attendance and medicine, during sickness. Further, one-fourth portion is a contribution to the Benevolent Widow and Orphans' Fund. There are other expenses which relate not to management, such as small payments for leeches, and occasional benevolent gifts to members in distress, or "on tramp." But I will waive the latter, as well as our share of the expenses of the sick members belonging to the general Unity fund, and still we find about 5 per cent. of the contributions amply sufficient for the cost of management. Can the loudly-vaunted "office clubs" effect this? Most certainly not. Large premiums are given by some of them for the procuring of members or policies; an ordinary agent is paid 5 per cent. (and he well deserves it) for receiving the contributions. To these must be added the expenses of the head office, as well as the cost of advertising—often a very large item,—which has superseded the despised "regalia" and processions.

"Oh! but we save so much by our superior know-

ledge and our more effective supervision," say the advocates of the "office system." Indeed! It is singular that, if such be the case, they do not distribute copies of their accounts, so that Odd Fellows and others may be enabled to compare notes. The fact is, that with regard to sickness, the reverse is the case. I know, from the best authority, that the sickness claims in some offices have ranged from 10 to 15 per cent. higher than the certified tables of the actuaries prognosticated, to the utter astonishment of their well-intentioned supporters. The actuaries' errors resulted from their ignorance of *management*! Their tables were compiled from the experience, not of "office clubs," but chiefly from that of the despised and "*mismanaged*" working mens' societies. As a rule, the lodges pay salaries too small to secure complete efficiency. But there is likewise a vast amount of *free labour* given by the brethren of these clubs. The members are their own governors, and feel a direct interest in the success of their societies, as a matter of fraternity and philanthropic sentiment. The man who joins an office club has generally no further feeling in the matter than the expectation of receiving, in case of need, the benefits promised. There is, after all, more practical advantage in the *profession of brotherhood* amongst Odd Fellows, and other affiliated bodies, than many persons believe. It is something more than a mere empty phrase among them. It causes them to meet together in social converse, and to devise plans for the amelioration of the condition of their unfortunate brethren, or widows and orphans. It causes them to

voluntarily fulfil many of the duties necessary to the carrying out of the objects of their associations, including the visitation of the sick for the purpose of checking fraud, as well as for the manifestation of fraternal sympathy. The cost of management is thus materially lessened, while a more effective supervision reduces the number of claimants, and the extent of their claims. Nay, the very feeling of fraternity in the breast of a member of one of the affiliated bodies is, of itself, instrumental in keeping down the rate of average liability.

If the practical details of some of these supposed model establishments were exposed to the public gaze, some rather startling specimens of "*superior management*" would, I have good reason to believe, be presented, for the edification of their humbler self-governed competitors. Nay, even the upper-class Insurance Companies do not always exhibit such highly-finished specimens of management as is to be desired. It appears 33 of these scientific establishments, during the year 1857, transferred their business to other companies; and during the past three years 88 have ceased to exist, 5 have amalgamated, 69 have transferred their business, and 20 have had recourse to a winding up in the Court of Chancery.\* It is thus evident that each party would be much better employed in endeavouring to improve its own machinery, than in idly denouncing the imperfections of its neighbours.

\* See an able article on this subject in the *Saturday Review* of March 27th, 1858.



In advocating the claims of Friendly Societies, I have generally avoided instituting invidious comparisons between what are sometimes termed "rival" institutions. I should never have challenged the utility even of office clubs, if their supporters had not attempted to further their success by ill-judged and ill-tempered attacks upon the working men's own efforts, and especially upon my own society, the Manchester Unity. To my mind, there cannot be too many workers in so good a cause. The practical success of any one Provident Institution is a triumph of the principles of all the rest. The attempt to supersede the working men's sick clubs by office assurance has, hitherto, except to a very limited extent, failed to gain the favour of the masses. Thousands of pounds have been spent in advertising them; powerful influence has been enlisted on their behalf; still the parties who were especially intended to reap benefit from their institution, generally regard them with feelings strongly tinged with hostility or suspicion. There are several good reasons for this. The movement did not emanate from working men. The system is not adapted to their wants, feelings, wishes, or prejudices. And truly enough, as I have already shown, notwithstanding the vaunt to the contrary, the machinery of the office clubs is more costly and less efficient than some of their own. There are undoubtedly many elements of insurance introduced by these offices of which working men might with advantage avail themselves; and yet we find they have either neglected or refused so to do to a very significant extent. The fact is, the British operative will not

be *driven* to join any scheme which is introduced to his notice in a dogmatical manner. The endeavour to gain his favour by stigmatising his own honest efforts for self-dependence and self-advancement as “humbug,” and himself and friends as “dupes” or knaves, is not a very rational or prudent one. It could scarcely have been expected to produce other fruit than it has done, even if some of the professed teachers had not proven themselves so thoroughly unfitted to accomplish the object proposed.

There is, however, another and a stronger reason why “office clubs” are unpopular. The British mind is imbued with a deep love of the great principle of SELF-GOVERNMENT. This impression is the result of no flimsy theory born of patriotic enthusiasm ; it is derived from actual communion with the more intelligent of the working classes, in their practical efforts for moral and social advancement. There is a growing tendency, or rather feeling, in some quarters, to subject the people’s Friendly Societies to a somewhat strict middle or upper class supervision ; nay, there is a desire to appropriate the honour and authority incident to the direction of their affairs, now that they have gained a “*respectable*” position amongst the institutions of the land, to which the free British provident operative will never submit. Of this I feel certain, from my own experience amongst the more intelligent of the class.

There appears to be something extremely captivating to the human heart in the very sound of the word “Philanthropy.” This virtue personified is evidently a

twin brother of "Charity," and, doubtless, possesses, in common with his amiable and universally-beloved sister, the power of hiding from the lynx-eyed public a multitude of genteel peccadilloes. But philanthropy, like charity, may be either real and unassuming, or superficial and ostentatious. Between the two varieties there exists as wide a distinction as between pure gold-leaf and "Dutch tinsel." It is quite possible to nurse and fondle a virtuous impulse until it degenerates into a merely selfish enjoyment of the "pleasure of doing good." The highest exhibition of the spirit of true philanthropy is to be found in the efforts which are directed towards the destruction of the causes which demand its exercise. It is essentially, when genuine, suicidal in its operation. To the existence of the superficial or "sham" philanthropy, public applause, and honour and authority over the parties philanthropised, if I may use the expression, are essential ingredients.

Since the working men of England, by their own efforts have succeeded in giving practical form to their sense of the responsibility attached to the possession of true liberty, a vast amount of philanthropic commendation and advice has been lavishly bestowed upon them. A large proportion of this is, doubtless, fashioned from the true Australian nugget; but I fancy I can, now and then, detect a little of the gaudier glitter of the gingerbread sheen referred to. The latter is often accompanied by loud flourishes of trumpets, in honour of its own disinterestedness, and violent denunciation of all those unfortunate children of mental darkness who fancy they



do not require its patronising assistance ; or who, with greater presumption, positively refuse to be *dictated to* by any self-styled philanthropist, however learned, either in his own estimation, or in the opinion of those who dispense popular honours in this direction.

The fact is, the working men of Britain having once tasted freedom, and its highest privilege, self-government, like it so well that they will defend it, not only against all professed foes, but against the machinations of amiable but somewhat insidious friends, who appear to be now anxious to share, if not to monopolise, the honour and authority incident to the direction of the very provident effort which, in the earlier period of its development, was treated by them with indifference or contempt.

Of course, the laws and principles of Oddfellowship (or indeed of any of the self-governed bodies) ignore no man's right to advise or assist in the management ; but they very wisely confine its honours or authority to those who have earned such distinction by actual labour among themselves. If any gentleman feels disposed to work with them, the road is perfectly open ; nay, he is actually invited to enter. Let him become a *subscribing member*, and doubtless his superior talent and command of leisure will be speedily appreciated. I am acquainted with several clergymen and other professional gentlemen who have done or are now doing the usual routine of lodge duty. Oddfellowship (nay, any working man's sick club) is essentially a self-dependent provident insti-



tution, and self-dependence cannot hang pendant from external patronage, however distinguished.

If the self-governed Friendly Societies presented no greater contribution to the cause of social progress than the *practical education* afforded to the members by periodical legislation and the continual exercise of the executive function, they deserve the support of every true friend of law and order, and of moral and intellectual advancement. The day has passed away in Britain when a dull, soulless submission, on the part of the people, to the dictation of a favoured few, was regarded as the perfection of human social or political relationship. It is in vain, therefore, to expect that the independent provident man will subscribe his money, and cheerfully hand it over to the paternal care and “management” of any middle or upper-class personages who may feel anxious for the trust. The social prosperity and peace of England depend not, at the present day, upon the blind routine worship of existing authority, but upon the moral and intellectual appreciation of the necessity of law and order for the protection of the property, and the personal liberty and rights, of even the humblest of our fellow-citizens. The greatly improved tone, in this respect, which has been exhibited during the past few years, may be fairly ascribed, to a considerable extent at least, to the operation of the principle of self-government in the Friendly Societies established by provident working men. It is an old maxim, that if you wish to make a good commander you must teach him how to obey; and it is equally true, if cheerful

submission to law and orderly conduct be desired from a free man, you must, to some extent, teach him how to govern. These societies have done this both in theory and practice; both by precept and example; and I have no hesitation in saying that, to the influence of this teaching, the signal failure of the recent "*physical force*" Chartist agitation may, to a considerable extent be fairly attributed. It has been calculated that the reserved capital of all the Friendly Societies exceeds eleven millions of money, and that they subscribe nearly five millions annually! The men who have had the making and administration of the laws for the collection and dispensation of this capital, are not very likely to join any party whose course of action would tend to destroy public credit. Truly, every member of a Friendly Society has a "stake in the country" of immense value to himself, and, therefore, a direct pecuniary interest in the prevention of anarchy, and in the preservation of order. He has been practically taught that obnoxious enactments are not to be repealed or amended by violence, but by intellectual and moral suasion, exercised within the limits prescribed by existing law. The very magistrates and police authorities in some of our large towns seem to have discovered this. Instead of "swearing in" a large number of special constables on her Majesty's visit to Manchester, in 1857, the preservation of order on the line of route was, to a large extent, confided by the authorities to the members of Friendly Societies there assembled. What a change in less than thirty years! A royal or princely visit,

during the year of the Peterloo massacre, would have been differently escorted. And what a contrast this not offer to imperial France. All attempts at free expression of opinion, and, of course, of self-government in nearly every shape, are there suppressed. The members of the self-governed "secret" societies in free England honour and protect their Queen, as the representative of the majesty of the law; the "secret" societies of despotic France conspire to overthrow or destroy the "man of their choice," who, having attained his object—the imperial throne—governs them as slaves, by the power of the sword!

These societies have unquestionably exercised considerable influence in the reduction of the parochial and county rates, and this, too, in the most legitimate manner. No one can calculate to what extent the destitution which periodically prevails might progress, and to what amount the poor rates might be swelled, had not upwards of three millions of the working classes other and more genial sources of assistance in their Friendly and Benefit Societies! This is no vain or idle theory. The experience of every man who has laboured in these societies must present many individual instances where industrious, honest families have been saved from the degradation of applying for parish relief, by the timely operation of these institutions. What said the Rev. Thomas Beecher, of Southwell, before the Committee of the House of Commons, in 1825, in answer to the question—

"Have you found that the establishment of the



submissively Society at Southwell has improved the condition of the poor, or enabled you to administer the poor laws more satisfactorily?"

He says—

"I consider the Friendly Society which has been instituted at Southwell, and all other similar societies, merely as an instrument for restoring the management of the poor to the principles exhibited in the acts of Elizabeth, and for enabling the industrious members of the community to attain a state of independence which is intimately connected with moral rectitude. In reducing the poor rates of Southwell, it will be found, from the statement presented, that the net cost of maintaining the poor in 1821, was £2,010; in 1822, £1,421; in 1823, £589; and in 1824, £517; and I have reason to believe that the expenses of the current year, ending at Lady-day next, will not exceed, but rather fall beneath, the last amount. This reduction was effected *partly during an advanced* price of provisions, and in a town situated in an agricultural district. My observations, however, do not apply exclusively to Southwell, but, in a certain degree, to forty-nine parishes constituting the surrounding neighbourhood."

Mr. Tidd Pratt, indeed, has expressed an opinion that the saving to the poor rates, owing to the action of Friendly Societies, amounts to about no less a sum than two millions per annum! This, perhaps, may be an over-estimate; but I have myself ascertained that when labour is moderately plentiful, from seventy to eighty per cent. of the applications for relief in our



large towns arises from sickness, death, or disability of some kind or other.

Therefore, if it be merely as a question of pecuniary profit, the conservation of these valuable institutions is the interest and duty of all classes. The amount of moral effort exhibited by these figures cannot be too highly valued. Ignorance and poverty are the most prolific parents of demoralisation and crime. Extreme privation has ever powerful influence in the deterioration of moral principle. The savings of the honest industrious artisan, whose power to labour is suspended through sickness, daily diminish. On his recovery to health he finds his debts unpaid, and a load of care upon his heart that crushes his best energies and undermines his strongest resolutions. Hope speedily forsakes his mind, and Despair lays his benumbing hand upon the once industrious, thrifty, provident man. He gradually submits to be *pauperised*. He has forfeited his most cherished treasure—the sense of self-dependence—without which he knows independence in its true sense is an idle word, an unsubstantial boast. Constant familiarity with the path to the overseer's office is one of the most efficient deteriorators of moral resolution; nay, habitual pauperism has but too often proved a stepping-stone to crime. On the other hand, the knowledge that the working man has, by his own frugality and forethought, provided against such visitation (to say nothing of the advantage derived in a pecuniary sense), cheers him in the midst of his suffering, and sustains his honourable pride. The relief he receives he knows to be as much his rightful

property as the rents from a landed estate or the marriage settlement which provides for the declining years of a titled lady on the death of her wealthy lord.

The true duty of the middle and upper classes, with respect to Friendly Societies is, therefore, to foster by their countenance, and aid by their advice, the praiseworthy efforts of the working men in this direction, but to leave the practical management in their own hands. True, there will yet be many failures; but, as I have before said, "the lessons of humiliation and blunder are worth a thousand masters," and will in time develop a more healthy mode of action. For the future, every lodge or club that fails will, like the stranded *Culloden* at the battle of the Nile, serve as a beacon to its neighbours, and thus do good service to the cause of improvement. If the management be left in the hands of the members themselves, they must, of course, bear the consequences of their own acts, with cheerful resignation. But such will not be the case should disappointment in old age result from the ignorance, mismanagement, or neglect, of wealthy patrons into whose hands has been committed the government of societies from which the working man has been so confidently assured he will receive, to the last penny, in the hour of affliction, the justly-earned reward of his commendable prudence and forethought. All the working men require from the educated and influential classes is a recognition of the value and importance of their efforts for self-dependence; an extension of that sympathy so touchingly referred to by the late Justice

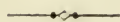
Talfourd, in the hour of his dissolution, and the dissemination amongst them, in a kindly spirit, of such information as will enable them, for the future, to govern their cherished societies in accordance with the improved knowledge of the age. If this be done, the rest may safely be left, under Providence, to the known energy, love of liberty, and integrity of purpose of the people themselves.

In conclusion, I most earnestly desire to impress upon the minds of the members of these important institutions, the necessity of immediately forming committees for the purpose of thoroughly investigating their financial position. Let me recommend those who possess not sufficient talent within themselves, to apply to the best available source for information upon the subject. It is to be hoped they will never feel disposed to imitate the example of the foolish bird of the desert, which, on the approach of danger, thrusts its head into the nearest bush, fondly believing that, by blinding itself to the fact, the evil will cease to exist. Let me rather hope that they will cheerfully echo back the dying words of the illustrious Goethe, "Let in more light!" that they will struggle manfully and earnestly to prove that they are not undeserving of the complimentary confidence implied by the recent acts of the Legislature, which acknowledge their capability to govern judiciously, and without external coercion, those institutions which originated in the benevolent and self-dependent impulses inherent in the true Anglo-Saxon heart.





## APPENDIX.



### No. I.

SINCE the preceding pages were in type the author has been kindly favoured with proof-sheets of a new edition of a work on Friendly Societies, by Arthur Scratchley, M.A., F.R.A.S., in which this gentleman promulgates what he calls the "True Law of Sickness." It exhibits what may be termed the rate of geometrical progression in the increase of sickness or disability to labour as age advances. The theory is very simple and ingenious, and its results, in one instance, accord in a very striking manner with Mr. Finlaison's figures. Should further experience confirm the truth of the principle, Mr. Scratchley's method will be most useful in the formation of standard tables, as the experiences of the various actuaries by no means exactly accord. It will require, however, much caution in the use of it as a means of ascertaining the degree of aberration which any individual Society may in the future anticipate, as the causes of such aberration are so numerous and complicated, and many of them of so transitory a character, that the experience of any one year or any quinquennium may—nay, does—present sometimes widely differ-

ent results from that of another. Mr. Scratchley, however, himself, cautions his readers on this very matter. The following is an exposition by its author of the newly-discovered law :—

### “ THE TRUE LAW OF SICKNESS.

“ In accordance with the valuable suggestion of Mr. Ansell (mentioned in Art. 96), we have, in order to test the views taken by him, caused to be analysed the result of our own experience in connection with a great variety of societies, whose affairs have been officially laid before us or the Friendly Societies' Institute, taking care to limit the definition of sickness to the inability to continue labour, comprehending under the denomination of ‘chronic,’ that which after a sufficiently long duration might and should be treated as irrecoverable.

“ Our observations have led us to the discovery of what may be termed the *True Law of Sickness*. It would seem clear—and in this the table of Mr. Finlaison affords striking confirmation—that the degree of inability to labour at various ages follows a simple natural law, which may be expressed as follows :—

“ 1.—That, from about the age when infantile diseases are past, and the nature of the constitution of the individual is becoming more declared—at age 15,—there is a certain *constant minimum rate of Sickness per annum*, to which human beings (on the average of a large number of lives) are subject at every period of life, and that this rate depends upon the race, climate, &c., and, as far as observations in the United Kingdom go, seems to be between the limits of *five and seven days' sickness per annum*.

“ 2.—That, at each age, every individual is exposed, according to his occupation, rank of life, &c. to

*An excess of sickness over such constant rate of sickness.* } increasing with his years, and equal to { *the sum of the excesses in the 5th and 10th years preceding.*

By way of illustration, in the class of labour referred to in the subjoined table, the constant is  $6\frac{1}{5}$  days, and the rate per annum of sickness,

*At age 20,  $6\frac{57}{100}$  days (nearly), or  $\frac{37}{100}$  of a day excess over the constant;*

*At age 25,  $6\frac{60}{100}$  days, or  $\frac{2}{5}$  of a day excess over the constant.*

The excess, therefore, at age thirty, is the sum of these excesses, or  $\frac{77}{100}$  of a day. This, added to the constant, gives the rate of sickness  $6\frac{97}{100}$  days; and so for succeeding years.

“ In the Mathematical Appendix at the end, we have shown that the preceding law may be expressed in another form, as follows:—

*The difference between the rate of sickness at any age and that 5 years below* } equals { *the difference between the rates of sickness for 5 and 15 years younger than the given age.*

For example:—

*The difference between the rates of sickness for ages 35 and 30* } equals { *the difference between those for ages 30 and 20.*

“ With this new law—the truth of which seems beyond dispute—societies, when looking at the probable sickness in the future, instead of relying upon the results of other associations, as set forth in published tables, for an estimate of what they might themselves anticipate, may correct it by a comparison with their own past experience; the only point to be guarded against being that, if they have had too low a rate of sickness in former years, arising

from a favourable aberration (which could be tested by a comparison with the standard table for their class or locality), they would have to make an addition to the probable rate during future quinquennial periods.

“ *As to Recoverable Sickness.*—This law bears, in the case where Irrecoverable Sickness is *excluded*, a remarkably close relation to Mr. Finlaison’s results, in the case of the ‘Average Sickness per annum to each Person in Friendly Societies, in England and Wales, adjusted by taking the average of each five years, for the middle year of each five.’ In the following table, we have placed Mr. Finlaison’s by the side, and it will be seen that it agrees within a decimal fraction :—

Age.	By New Law.	Government Returns, 1853.
	Constant, 6·20.	
15	6·23	6·21
20	6·57	6·88
25	6·60	6·83
30	6·97	6·91
35	7·37	7·14
40	8·14	8·21
45	9·31	9·34
50	11·25	11·49
55	14·36	13·95
60	19·41	18·73
65	27·57	27·36

“ This table includes the sickness of those that die under a year’s illness, and of those that recover. Rates of subscriptions based upon it would not suffice to provide the allowances contemplated in clause 107 of the Rules.—Similarly,



if clause 103 be adopted, the subscriptions would vary according to whether it be intended that the renewal of the allowance to a member at the end of the fifty-two weeks' non-pay, should depend on his having gone through the stage of recovery, or only on his having had his pay stopped, although his illness had continued.

*“As to General Sickness, including Irrecoverable Cases.—* The following are the corresponding rates of sickness according to the new law, when all cases of inability to labour are provided for.

“From the complicated elements that enter, the numerical deductions have presented great difficulty, but the results given may be adopted as a safe approximation.

Age.	Average Sickness per annum to each person.
	Constant, 6·20.
15	6·38
20	6·88
25	7·06
30	7·74
35	8·60
40	10·14
45	12·54
50	16·48
55	22·82
60	33·10
65	49·72
70	76·62
75	120·14
80	190·56
85	304·50
	becoming permanent soon afterwards.”

No. II.

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 AN ACT

TO

AMEND AND CONSOLIDATE THE LAWS

RELATING TO

FRIENDLY SOCIETIES.

---

*23rd July, 1855.*


---

Preamble.

WHEREAS it would conduce to the Improvement of the Law relating to Friendly Societies if the several Statutes relating thereto were consolidated, and certain Additions and Alterations were made therein; Be it therefore enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same:

Acts or Parts  
of Acts set  
forth in First  
Schedule re-  
pealed.

I. That there shall be hereby repealed the several Acts or Parts of Acts set forth in the First Schedule hereto, save and except as to any Offences committed, or Penalties or Liabilities incurred, or Bond or Security given, or Proceedings taken, under the same, before the Commencement of this Act.

II. Provided nevertheless, That notwithstanding the Repeal of the several said Statutes, every Friendly Society now subsisting, which heretofore had been formed and established under the said Acts or any of them, shall still be deemed to be and shall continue to be a subsisting Society, as fully as if this Act had not been made, unless and until such Society shall be dissolved, or united with some other Society as hereinafter mentioned.

Societies  
under former  
Acts to con-  
tinue.

III. Provided also, That the Rules of every such subsisting Society hitherto formed and established which have been hitherto confirmed, registered, or certified under the said Acts or any of them, shall be deemed valid and in force until the same shall be altered or rescinded as hereinafter mentioned; and all Transcripts of any of such Rules which are now filed with the Rolls of the Sessions of the Peace of any County, Riding or Division, City or Borough, Liberty or Place, shall be taken off the File, and shall be transmitted on or before the First Day of *November*, One thousand eight hundred and fifty-five, to the Registrar under this Act, to be by him kept in such manner as shall be directed from Time to Time by One of Her Majesty's Secretaries of State in that Behalf.

Their rules  
to continue  
in force, and  
Enrolments  
to be sent to  
Registrar.

IV. Provided also, That all Contracts and Engagements by or with any of the said Socie-

All their  
Contracts,  
and all

Bonds, &c.  
to them, to  
continue in  
force.

ties now valid and in force, and all Bonds and Securities heretofore given by any Trustee, Treasurer, or Officer of any such Society, shall continue and be valid and in force notwithstanding the Repeal of the said Acts.

Their Ex-  
emptions,  
Powers, and  
Privileges  
under this  
Act.

V. All such subsisting Societies, whose Rules have heretofore been confirmed, registered, or certified under the said Acts or any of them, shall, so long as they shall not hereafter effect an Assurance to any Member thereof, or other Person, of any Sum exceeding Two Hundred Pounds, or of any Annuity exceeding Thirty Pounds *per Annum*, enjoy all the Exemptions and Privileges by this Act conferred on Societies to be established under the Provisions of this Act, as fully as if they had been registered and certified under this Act as hereinafter mentioned.

*Registrars.*

Registrars,  
how and by  
whom ap-  
pointed.

VI. For the Purposes of this Act, there shall be Three Registrars of Friendly Societies, One for *England*, One for *Scotland*, and One for *Ireland*, who shall hold their respective Offices during the pleasure of the Commissioners for the Reduction of the National Debt; and upon the Death, Resignation, or Removal of any One of them, the said Commissioners shall appoint another, being a Barrister in *England* or *Ireland*, and in *Scotland* an Advocate, of not less than Seven Years' standing, to the said Office.

Their  
salaries.

VII. It shall be lawful for the Commissioners of Her Majesty's Treasury to pay to the present



Registrar for *England* a Salary equal to that which has been paid to him yearly in each of the Three last years, not exceeding One Thousand Pounds *per Annum*, and to pay to any Registrar hereafter to be appointed for *England* a Salary not exceeding Eight Hundred Pounds a Year, and to pay to the Registrars for *Scotland* and *Ireland* respectively a Salary such as the said Commissioners shall direct, not exceeding One Hundred and Fifty Pounds a Year, every such Salary to be paid by Four equal quarterly Payments; and any of the said Registrars who shall be appointed, or who shall die, resign, or be removed from his Office, in the Interval between Two quarterly Days of Payment, shall be entitled to a proportionate Part of his Salary, and such Salaries and proportionate Parts of Salaries shall be paid out of such Moneys as shall be provided by Parliament for that Purpose.

VIII. The said Commissioners of Her Majesty's Treasury shall, out of such Moneys as may be provided by Parliament for the Purpose, pay to the said Registrars respectively such Sum as will defray the Expenses allowed by the said Commissioners from Time to Time for Office Rent, Salaries of Clerks, Stationery, Computation of Tables, and for such other Expenses as may be incurred by them respectively.

Their  
Expenses of  
Office, &c.

IX. It shall be lawful for any Number of Persons to form and establish a Friendly Society,

Societies,  
how and for  
what Pur-  
pose formed.

under the Provisions of this Act, for the Purpose of raising by voluntary Subscriptions of the Members thereof, with or without the aid of Donations, a Fund for any of the following objects (that is to say) :—

For Pay-  
ments on  
Death.

1. For insuring a Sum of Money to be paid on the Birth of a Member's Child, or on the Death of a Member, or for the Funeral Expenses of the Wife or Child of a Member :

For Relief in  
Sickness, &c.

2. For the Relief or Maintenance of the Members, their Husbands, Wives, Children, Brothers or Sisters, Nephews or Nieces, in Old Age, Sickness, or Widowhood, or the Endowment of Members or Nominees of Members at any Age :

For other  
Purpose  
authorized  
by Secretary  
of State, &c.

3. For any Purpose which shall be authorized by One of Her Majesty's principal Secretaries of State, or in *Scotland* by the Lord Advocate, as a Purpose to which the Powers and Facilities of this Act ought to be extended :

Provided, that no Member shall subscribe or contract for an Annuity exceeding Thirty Pounds *per Annum*, or a Sum payable on Death, or on any other Contingency, exceeding Two Hundred Pounds :

And if such Persons so intending to form and establish such Society shall transmit Rules for the Government, Guidance, and Regulation of the same, to the Registrar aforesaid, and shall obtain his Certificate that the same are in con-

formity with Law as hereinafter mentioned, then the said Society shall be deemed to be fully formed and established from the date of the said Certificate.

X. In any Society in which a Sum of Money may be insured payable on the Death of a Child under Ten Years of Age, it shall not be lawful to pay any Sum for the Funeral Expenses of such Child, except upon Production of a Copy of the Entry in the Register of Deaths, signed by the Registrar of the District in which the Child shall have died; and if such Entry shall not state that the Cause of Death has been certified by a qualified Medical Practitioner, or by a Coroner, a Certificate signed by a qualified Medical Practitioner, stating the probable Cause of Death, shall be required, and it shall not be lawful in that Case to pay any Sum without such Certificate; and no Trustee or Officer of any Society, upon an Insurance of a Sum payable for the Funeral Expenses of any such Child, made after the passing of this Act, shall knowingly pay a sum which shall raise the whole Amount receivable from One or more than One Society for the Funeral Expenses of a Child under the Age of Five Years to a Sum exceeding Six Pounds, or of a Child between Five and Ten Years to a Sum exceeding Ten Pounds; and any such Trustee or Officer who shall make any such Payment otherwise than as aforesaid, or who shall pay any Sum without

No Money to be paid on the Death of a Child without a Copy of Entry of the Registrar of Deaths.

endorsing the Amount which he shall pay on the Back or at the Foot of the Copy of Entry signed by the said Registrar, shall be liable to a Penalty not exceeding Five Pounds for every such Offence, upon Conviction thereof before Two Justices of the County or Borough in which such Death shall have taken place. The said Registrar shall be entitled to receive, upon Delivery of such Copy of Entry, for the purpose of receiving Money from a Friendly Society, a Fee of One Shilling, and it shall not be lawful for him to deliver more than One such Copy for such Purpose, except by the Order of a Justice of the Peace.

Benevolent Societies, in what case entitled to the Benefits of this Act.

XI. And whereas many Provident, Benevolent, and Charitable Institutions and Societies are formed and may be formed for the Purpose of relieving the physical Wants and Necessities of Persons in Poor Circumstances, or for improving the Dwellings of the Labouring Classes, or for granting Pensions, or for providing Habitations for the Members or other persons elected by them, and it is expedient to afford Protection to the Funds thereof: Be it enacted, That if Two Copies of the Rules of any such Institution or Society, and from Time to Time the like Copies of any Alterations or Amendments made in the same, signed by Three Members and the Secretary thereof, shall be transmitted to the Registrar aforesaid, such Registrar shall, if he shall find that the same are not repugnant to Law, give



a Certificate to that Effect; and that thereupon the following Sections of this Act, that is to say, the Seventeenth, Eighteenth, Nineteenth, Twentieth, Twenty-first, and Twenty-second, Fortieth, Forty-first, Forty-second, and Forty-third, shall extend and be applicable to the said Institution and Society as fully as if the same were a Society established under this Act.

XII. The Act of the Thirty-ninth of *George* the Third, Chapter Seventy-nine, and the Act of the Fifty-seventh of *George* the Third, Chapter Nineteen, and also the Act of the Fourteenth and Fifteenth of Her present Majesty, Chapter Forty-eight, relating to unlawful Oaths in *Ireland*, shall not extend to any Society established under this Act or any of the Acts hereby repealed, or to any Meeting of the Members or Officers thereof in which Society or at which Meeting no Business whatever is transacted other than that which directly and immediately relates to the Objects of the Society as declared in the Rules thereof, and set forth in the certified Copy thereof: Provided that the Trustees or other Officers of the Society, when required under the Hands of Two of Her Majesty's Justices of the Peace, shall give full Information to such Justices of the Nature, Objects, Proceedings, and Practices of such Society, and in default thereof the Provisions of the Acts herein recited shall be in force in respect of such Society.

Statutes as to unlawful Oaths not to extend to Societies under this Act or any repealed Acts.

Societies,  
how dis-  
solved.

XIII. It shall be lawful for the Members of any Society heretofore formed and established, or hereafter to be formed and established at some Meeting thereof to be specially called in that behalf, to dissolve or determine the same by Consent: Provided that no Society established under this or any Act relating to Friendly Societies shall be dissolved or determined without obtaining the Votes of Consent of Five Sixths in Value of the then existing Members thereof, including the honorary Members, if any, to be ascertained in manner hereinafter mentioned, nor without the Consent of all Persons, if any, then receiving or then entitled to receive any Relief, Annuity, or other Benefit from the Funds thereof, to be testified under their Hands individually and respectively, unless the Claim of every such Person be first duly satisfied, or adequate Provision made for satisfying such Claim; and for the Purpose of ascertaining the Votes of such Five Sixths in Value of the Numbers as aforesaid, every Member shall be entitled to One Vote, and an additional Vote for every Five Years that he may have been a Member, but no One Member shall have more than Five Votes in the whole; and the intended Appropriation or Division of the Funds or other Property shall be fairly and distinctly stated in the Agreement for Dissolution prior to such consent being given; and the Agreement for such Dissolution, duly signed as aforesaid, accompanied with a statutory Declaration by One of the Trustees,

or by Three Members and the Secretary taken before a Justice of the Peace, that the Provisions of this Act have been complied with, shall be forthwith transmitted to the Registrar, to be by him deposited with the Rules of the Society, and such Agreement shall thereupon be an effectual Discharge at Law and in Equity to the Trustees, Treasurers, and other Officers of such Society, and shall operate as a Release from all the Members of the Society to such Trustees, Treasurers, and other Officers; and it shall not be lawful in any Society to direct a Division or Appropriation of any Part of the Stock thereof, except for the Purpose of carrying into effect the general Interests and Objects declared in the Rules as originally certified, unless the Claim of every Member is first duly satisfied, or adequate Provision be made for satisfying such Claim; and in case any Member of such Society shall be dissatisfied with such Provision, it shall be lawful for him or her to apply to the Judge of the County Court of the District within which the usual Place of Business of the Society is situated for Relief or other Order; and the said Judge shall have the same Powers to entertain such Application, and to make such Order or Direction in relation thereto, as he may think the Justice of the Case may require, as hereinafter is enacted in regard to the Settlement of Disputes and in the event of the Dissolution or Determination of any Society, or the Division or Appropriation

of the Funds thereof, except in the way hereinbefore provided, any Trustee or other Officer or Person aiding or abetting therein shall on Conviction thereof by Two Justices, be committed to the Common Gaol or House of Correction, there to be kept to Hard Labour for any Term not exceeding Three Calendar Months, as to such Justices shall seem meet.

Societies may unite with others, or one Society may transfer its Engagements to another.

XIV. It shall be lawful for any Two or more Societies established under this or any of the Acts hereby repealed to unite and become incorporated in One Society, with or without any Dissolution or Division of the Funds of such Societies or either of them; or a Society formed and established under this Act or any of the said repealed Acts may be allowed to transfer its Engagements to any other Friendly Society, if any other such Society shall undertake to fulfil the Engagements of such Society, upon such Terms as shall be agreed upon by the major Part of the Trustees, and also of the Committee of Management of both Societies, or the Majority of the Members of each of such Societies at a General Meeting convened for the Purpose.

Minors may be elected as Members.

XV. A Person under the Age of Twenty-one may be elected or admitted as a Member of any Society established under this Act or any of the Acts hereby repealed, the Rules of which do not prohibit such Election, and may and he is



hereby empowered to execute all necessary Instruments and to give all necessary Acquittances: Provided always, that during his Nonage he shall not be competent to hold any Office of Director, Trustee, Treasurer, or Manager of such Society.

XVI. It shall be lawful for the Trustee or Trustees for the Time being of any Friendly Society formed and established under this Act or under any of the Acts hereby repealed, with the Consent of a Majority of the Members thereof present at a Special or General Meeting of the Society, to purchase, build, hire, or take upon Lease any Building for the Purpose of holding such Meetings, and to adapt and furnish the same, and to purchase or hold upon Lease any Land not exceeding One Acre for the said Purpose of erecting thereon a Building for holding the Meetings of the Society, and such Trustee or Trustees shall thereupon hold the same in trust for the Use of such Society; and, with the like Consent as aforesaid, such Trustee or Trustees may mortgage, sell, exchange, or let such Building or any part thereof; and the Receipt in Writing of such Trustee, or One of such Trustees for the Time being, shall be a legal Discharge for the Money arising from such Mortgage, Sale, Exchange, or Letting; and no Mortgagee, Purchaser, Tenant, or Assignee shall be bound to inquire into, ascertain, or prove the Consent aforesaid, to verify his Title: Pro-

Buildings for the Purpose may be purchased or leased.

vided always, that any Building purchased or appropriated for the Purpose aforesaid already belonging to or in the Possession of any Friendly Society heretofore formed and established under the said repealed Acts or any of them may be holden and dealt with as if it had been acquired under this Act; and the Land or Buildings which may be vested in the Treasurer, Trustee, or other Officer thereof for the Time being shall thereupon vest in the Trustee or Trustees for the Time being of such Society, for the same Estate and Interest as the said Treasurer, Trustee, or other Officer may have therein, without any Conveyance or Assignment whatever: Provided nevertheless, that all Money spent in purchasing, building, hiring, or taking upon Lease any Building for the Purpose of holding such Meetings, and in adapting and furnishing the same, be raised according to the Rules, of the Society on such Behalf inserted; and this Section shall apply to any Society registered under the Industrial and Provident Societies Act, 1852, and to any Building or Land to be purchased, built, hired, or taken on Lease for the Purposes of the Labour, Trade, or Handicraft of such Society, in all respects as hereby enacted with regard to any Building or Land for the holding the Meetings of any Friendly Society.

Trustees  
how ap-  
pointed.

XVII. Every Friendly Society established under this Act shall, at some Meeting of its

Members, and by a Resolution of a Majority of the Members then present, nominate and appoint One or more Person or Persons to be Trustee or Trustees for the said Society, and the like in the case of any Vacancy in the said Office; and a Copy of the Resolution so appointing such Person or Persons to the Office of Trustee, and signed by such Trustee or Trustees and by the Secretary of the said Society, shall be sent to the Registrar, to be by him deposited with the Rules of the said Society in his Custody: Provided always, that where no Trustee shall have been appointed in any Society established under any One of the Acts hereby repealed, the Treasurer thereof, or other Person who has Custody of the Moneys of such Society, shall be taken to be a Trustee, within the Meaning of this Act.

XVIII. All Real and Personal Estate whatsoever belonging to any such Society established under this Act or any of the Acts hereby repealed shall be vested in such Trustee or Trustees for the Time being, for the Use and Benefit of such Society and the Members thereof, and the Real or Personal Estate of any Branch of a Society shall be vested in the Trustees of such Branch, and be under the Control of such Trustee or Trustees, their respective Executors or Administrators, according to their respective Claims and Interest, and upon the Death or Removal of any such

Property of  
the Society  
vested in  
them.

Trustee or Trustees the same shall vest in the succeeding Trustee or Trustees for the same Estate and Interest as the former Trustee or Trustees had therein, and subject to the same Trusts, without any Conveyance or Assignment whatsoever, save and except in the Case of Stocks and Securities in the Public Funds of *Great Britain* and *Ireland*, which shall be transferred into the Name or Names of such new Trustee or Trustees; and in all Actions or Suits or Indictments, or Summary Proceedings before Magistrates, touching or concerning any such Property, the same shall be stated to be the Property of the Person or Persons for the time being holding the said office of Trustee, in his or their proper Name or Names, as Trustees of such Society, without any further Description.

Actions, &c.  
by or against  
them.

XIX. The Trustee or Trustees of any such Society are hereby authorized to bring or defend, or cause to be brought or defended, any Action, Suit, or Prosecution in any Court of Law or Equity touching or concerning the Property, Right, or Claim to Property of the Society for which he or they are such Trustee or Trustees as aforesaid; and such Trustee or Trustees shall and may, in all cases concerning the Real or Personal Property of such Society, sue and be sued, plead and be impleaded, in any Court of Law or Equity, in his or their proper Name or Names, as Trustee or Trustees



of such Society, without other Description ; and no such Action, Suit, or Prosecution shall be discontinued or shall abate by the Death of such Person, or his Removal from the Office of Trustee, but the same shall and may be proceeded in by or against the succeeding Trustee or Trustees as if such Death or Removal had not taken place ; and such succeeding Trustee or Trustees shall pay or receive the like Costs as if the Action or Suit or Prosecution had been commenced in his or their Name or Names, for the Benefit of or to be reimbursed from the Funds of such Society.

XX. Provided nevertheless, That no Trustee or Trustees of any such Society shall be liable to make good any Deficiency which may arise or happen in the Funds of such Society, but shall be liable only for the Moneys which shall be actually received by him on account of such Society.

Limitation of  
his Respon-  
sibility.

XXI. The Treasurer of every such Society, and every Treasurer hereafter appointed in any Society established under any of the repealed Acts, or any other Officer who is required by the Rules to give Security, shall, before he take upon himself the Execution of his Office, become bound, with One sufficient Surety, in a Bond according to the Form set forth in the Third Schedule to this Act, or give the Security of a Guarantee Society established in

Treasurer  
to give  
Security.

*London*, in such penal Sum as the Society or the Committee of Management shall direct and appoint, conditioned for his just and faithful Execution of his said Office of Treasurer, and for rendering a just and true Account of all Moneys received or paid by him on account of the said Society at such Times as the Rules of the said Society shall direct and appoint, and at such Times as he shall be required so to do by the Trustee or Trustees of the said Society, or by a Majority of the said Committee of Management, or by a Majority of the Members present at any Meeting of such Society; and every such Bond shall be given to the Trustee or Trustees of the said society for the Time being; and if the same shall at any time become forfeited, it shall be lawful for such Trustee or Trustees for the Time being to sue upon such Bond for the Use of such Society; and in *Scotland* such Bond shall have the same Force and Effect as a Bond there in use duly attested and completed, and containing a Clause of Registration for Execution as well as for Preservation in the Books of Council and Session and other Judges Books competent, and shall be Registered in such Books accordingly, with a view to Diligence.

Treasurer  
to account.

XXII. Every such Treasurer or other Officer, whether appointed before or after the passing of this Act, at such Times as by the Rules of such Society he should render such Account as

aforesaid on being required so to do by the Trustee or Trustees of such Society, or by a Majority of the said Committee of Management, or by a Majority of the Members present at a Meeting of the said Society as aforesaid, within Seven Days after such Requisition shall render to the Trustee or Trustees of the Society, or to the said Committee of Management, or to the Members of such Society at a Meeting of the Society, a just and true Account of all Monies received and paid by him since he last rendered the like Account, and of the Balance then remaining in his Hands, and of all Bonds or Securities of such Society, which Account the said Trustee or Trustees or Committee of Management shall cause to be Audited by some fit and proper Person or Persons by them to be appointed; and such Treasurer, if thereunto required, upon the said Account being Audited, shall forthwith hand over to the said Trustee or Trustees the Balance which on such Audit shall appear to be due from him, and shall also, if required, hand over to such Trustee or Trustees all Securities and Effects, Books, Papers, and Property of the said Society in his Hands or Custody; and if he fail to do so, the Trustee or Trustees of the said Society may sue upon the Bond aforesaid, or may sue such Treasurer in the County Court of the District, or in any of the Superior Courts of Common Law, or in any other Court having Jurisdiction, for the Balance appearing to have been due from him.

upon the Account last rendered by him, and for all the Moneys since received by him on account of the said Society, and for the Securities and Effects, Books, Papers, and Property in his Hands or Custody, leaving him to set off in such Action the Sums, if any, which he may have since paid on Account of the said Society; and in such Action the said Trustee or Trustees shall be entitled to recover their full Costs of Suit, to be taxed as between Attorney and Client.

Property,  
how reco-  
vered if the  
Officer die,  
or become  
Bankrupt or  
insolvent.

XXIII. If any Person already appointed or employed or hereafter to be appointed or employed to or in any Office in any Friendly Society established under this Act or under any of the Acts hereby repealed, whether such Appointment or Employment was before or after the legal Establishment of such Society, and having in his Hands or Possession, by virtue of his Office, any Moneys or Property whatsoever of such Society, or any Deeds or Securities belonging to such Society, shall die, or become bankrupt or insolvent, or have any Execution or Attachment or other Process issued against him or any Part of his Property, or shall have any Action or Diligence raised against his Lands, Goods, Chattels, or Effects, or Property, or other Estate, heritable or movable, or shall make any Assignment, Disposition, Assignment, or other Conveyance for the Benefit of his Creditors, the Heirs, Executors, Administrators,



or Assignees of every such Officer, and every other Person having or claiming Right to the Property of such Officer, and the Sheriff or other Person executing such Process, and the Party using such Action or Diligence respectively, shall, upon Demand in Writing made by the Treasurer or by the Trustee or any Two of the Trustees of such Society or any Person appointed at some Meeting of the Society to make such Demand, deliver and pay over all such Moneys, Property, Deeds, and Securities belonging to such Society to such Person as such Treasurer or Trustees shall appoint, and shall pay, out of the Estate, Assets, or Effects, heritable or movable, of such Officer, all sums of Money due which such Officer shall have received, before any other of his Debts are paid, and before any other Claims upon him shall be satisfied, and before the Money directed to be levied by such Process as aforesaid, or which may be recovered or recoverable under such Diligence, is paid over to the Party issuing such Process or using such Diligence; and all such Assets, Lands, Goods, Chattels, Property, Estates, and Effects shall be bound to the Payment, Discharge, and Satisfaction of such Claims.

XXIV. If any Officer, Member, or other Person, being or representing himself to be a Member of such Society, or the Nominee, Executor, Administrator, or Assignee of a Member

Punishment  
of Fraud in  
withholding  
Money, &c.

thereof, or any Person whatsoever, by false Representation or Imposition, shall obtain Possession of any Moneys, Securities, Books, Papers, or other Effects of such Society, or having the same in his Possession shall withhold or misapply the same, or shall wilfully apply any Part of the same to Purposes other than those expressed or directed in the Rules of such Society, or any Part thereof, it shall be lawful in *England* for any Justice of the Peace acting in the County or Borough in which the Place of Business of such Society shall be situated, upon Complaint made by any Person on behalf of such Society, to summon the Person against whom such Complaint is made to appear at a Time and Place to be named in such Summons; and any Two Justices present at the Time and Place mentioned in such Summons shall proceed to hear and determine the said Complaint, in manner directed by the Act passed in the Eleventh and Twelfth Years of Her present Majesty, Chapter Forty-three; and in *Scotland* every such Offence may be prosecuted by summary Complaint at the Instance of the Procurator Fiscal of the County, or of the Society with his Concurrence, before the Sheriff; and if the said Justices or Sheriffs respectively shall determine the said Complaint to be proved against such Person, they shall adjudge and order him to deliver up all such Moneys, Securities, Books, Papers, or other Effects to the Society, or to repay the Amount of Money applied improperly,

and to pay, if they think fit, a further Sum of Money, not exceeding Twenty Pounds, together with Costs not exceeding Twenty Shillings; and, in default of such Delivery of Effects, or Repayment of such Amount of Money, or Payment of such Penalty and Costs aforesaid, the said Justices or Sheriffs may order the said Person so convicted to be imprisoned in the Common Gaol or House of Correction, with or without Hard Labour, for any Time not exceeding Three Months: Provided that nothing herein contained shall prevent the said Society, or, in *Scotland*, Her Majesty's Advocate, from proceeding by Indictment against the said Party; Provided also, that no Person shall be proceeded against by Indictment if a Conviction shall have been previously obtained for the same Offence under the Provisions of this Act.

XXV. Before any Friendly Society shall be established under this Act, the Persons intending to establish the same shall agree upon and frame a Set of Rules for the Regulation, Government, and Management of such Society; and in such Rules they may, amongst other things, make Provision for appointing a General Committee of Management of such Society and delegating to such Committee all or any of the Powers given by this Act to the Members of Friendly Societies formed or established under or by virtue of the same; and such Rules shall set forth—

Rules to be  
made.

1. The Name of the Society and Place of Meeting for the Business of the Society ;
2. The whole of the Objects for which the Society is to be established, the Purposes for which the Funds thereof shall be applicable, and the Conditions under which any Member may become entitled to any Benefit assured thereby, and the Fines and Forfeitures to be imposed on any Member of such Society ;
3. The Manner of making, altering, amending, and rescinding Rules ;
4. A Provision for the Appointment and Removal of a General Committee of Management, of a Trustee or Trustees, Treasurer, and other Officers ;
5. A Provision for the Investment of the Funds and for an annual or Periodical Audit of Accounts ;
6. The Manner in which Disputes between the Society and any of its Members, or any Person claiming by or through any Member, or under the Rules, shall be settled :

And the Rules of every such Society shall provide that all Moneys received or paid on account of each and every particular Fund or Benefit assured to the Members thereof, their Husbands, Wives, Children, Fathers, Mothers, Brothers, or Sisters, Nephews or Nieces, for which a separate Table of Contributions payable shall



have been adopted, shall be entered in a separate Account, distinct from the Moneys received and paid on account of any other Benefit or Fund, and also that a Contribution shall be made to defray the necessary Expenses of Management, and a separate Account shall be kept of such Contributions and Expenses.

XXVI. Two printed or written Copies of such Rules, signed by Three of the intended Members and the Secretary or other Officer, shall be transmitted to the Registrar aforesaid, and the said Registrar shall advise with the Secretary or other Officer, if required, for the Purpose of ascertaining whether the said Rules are calculated to carry into effect the Intentions and Object of the Persons who desire to form such Society; and if the Registrar shall find that such Rules are in conformity with Law and with the Provisions of this Act, he shall give a Certificate in the Form set forth in the Second Schedule to this Act, and shall return one of the said Copies to the said Society, and shall keep the other in such Manner as shall from time to time be directed by One of Her Majesty's Principal Secretaries of State, and for which certificate no Fee shall be payable to the said Registrar; and all Rules when so certified as aforesaid, shall be binding on the several Members of the said Society: Provided always, that it shall not be lawful for the said Registrar to grant any such Certificate to a Society assuring to any

Copies to be sent to the Registrar, and his Certificate obtained.

Actuary's Certificate to be sent with the Copies

in case of  
Tables of  
Annuities.

Member thereof a certain Annuity or certain Superannuation, deferred or immediate, unless the Tables of Contributions payable for such kind of Assurance shall have been certified under the Hand of the Actuary to the Commissioners for Reduction of the National Debt, or by an Actuary of some Life Assurance Company established in *London, Edinburgh, or Dublin*, who shall have exercised the Profession of Actuary for at least Five Years, and such Certificate be transmitted to the Registrar, together with the Copies of the Rules aforesaid.

Rules may  
be altered,  
amended,  
rescinded, or  
new Rules  
made.

XXVII. After the Rules of a Friendly Society shall have been so certified by the Registrar as aforesaid, it shall be lawful for such Society, by Resolution at a Meeting specially called for that Purpose, to alter, amend, or rescind the same or any of them, or to make new Rules; and it shall be lawful for any Friendly Society formed and established under any of the Acts hereby repealed to alter, amend, or rescind the Rules by which their Society is governed, regulated, or managed, or to make new Rules: Provided always, that Two Copies of the proposed Alterations or Amendments, and of such new Rules, signed by Three Members of such Society, and the Secretary or other Officer, shall be transmitted to the said Registrar, to one of which shall be attached a Declaration by the Secretary or one of the Officers of

such Society, that in making the same the Rules of such Society respecting the making, altering, amending, and rescinding Rules, or the Directions of the Act under which such Society was established, have been duly complied with ; and if the said Registrar shall find that such Alterations, Amendments, or new Rules are in conformity with Law, he shall give to the Society a Certificate in the Form set forth in the Schedule to this Act, and return one of the Copies to the Society, and shall keep the other, with the Rules of such Society, in his Custody, and for which Certificate no Fee shall be payable to the said Registrar, and as against such Member or Person such Certificate shall be conclusive of the Validity thereof : and all Rules Alterations, and Amendments, when so certified as aforesaid, shall be binding on the several Members of the said Society, and all Persons claiming on account of a Member or under the said Rules ; but unless and until the same shall be so certified as aforesaid, such Rules, Alterations, and Amendments shall have no Force or Validity whatsoever.

XXVIII. Whenever any Friendly Society established under this Act or any of the Acts hereby repealed shall change its Place of Business, Notice of such Change, under the Hands of Two of the Trustees or Three Members and Secretary or other Officer, shall, within Fourteen Days thereafter, be sent to the said Registrar.

When Place  
of Meeting  
is altered,  
Notice to be  
sent to  
Registrar.

Circulating  
false Copies  
of Rules, &c.  
a Misdemeanour.

XXIX. If any Person shall give to any Member of a Friendly Society established under this Act or under any of the said repealed Acts, or to any Person intending or applying to become a Member of such Society, a Copy of any Rules, or of any Alterations or Amendments of the same other than those respectively which have been enrolled with any Clerk of the Peace or Certified by the Registrar, with a Copy of his Certificate appended thereto, under colour that the same are binding upon the Members of such Society, or shall make any Alterations in or Addition to any of the Rules or Tables of such Society after they shall have been respectively enrolled or certified by the Registrar, and shall circulate the same, purporting that they have been duly enrolled or certified under this or any of the said repealed Acts, when they have not been so duly enrolled or certified, every Person so offending shall be deemed guilty of a Misdemeanour.

Rules, how  
received in  
Evidence.

XXX. All the Rules and Tables of any Society established under this Act or any of the said repealed Acts, and all Alterations and Amendments thereof, and all Copies thereof or Extracts therefrom, and all Writings and Documents relating to a Friendly Society, and purporting to be signed by the Registrar, shall, in the Absence of any Evidence to the contrary, be received in all Courts of Law and Equity, and elsewhere, without Proof of the Signature thereto.



XXXI. When, on the Death of any Member of a Society established under this Act or any of the said repealed Acts, a Sum of Money not exceeding Fifty Pounds shall become payable, the same shall be paid by the Trustees of such Society to the Person directed by the Rules thereof, or nominated by the Deceased, in Writing deposited with the Secretary (such Person being the Husband, Wife, Father, Mother, Child, Brother or Sister, Nephew or Niece of such Member): and in case there shall be no such Direction or Nomination, or the Person so nominated shall have died before the deceased Member, or in case the Member shall have revoked such Nomination, then such Sum shall be paid to the Person who shall appear to the said Trustees to be entitled under the Statute of Distributions to receive the same, without taking out Letters of Administration in *England* or *Ireland* and without Confirmation in *Scotland*; Provided, that wherever the Trustee or Trustees of any such Society, after the Decease of any Member thereof, shall have paid and divided any such Sum of Money to or amongst any Person or Persons who shall at the time of such Payment appear to such Trustee or Trustees to be entitled to the Effects of any deceased Member who has died intestate, without having appointed any Nominee as aforesaid, the Payment of any such Sum shall be valid and effectual with respect to any Demand from any other Person or Persons as next of Kin of

On Death of Member, Sum under £50 may be paid without Administration.

Indemnity to Trustees.

such deceased Member, or as to the lawful Representative or Representatives of such Member, against the Funds of such Society or against the Trustees thereof; but nevertheless such next of Kin or Representative shall have his or her lawful Remedy for such Money so paid as aforesaid against the Person or Persons who shall have received the same.

Funds, how  
invested.

XXXII. The Trustee or Trustees of every Friendly Society established under this Act or any of the said repealed Acts shall from time to time, with the Consent of the Committee of Management of such Society, or of a Majority of the Members of such Society present at a General or Special Meeting thereof, or in accordance with the Rules of such Society, invest the Funds of such Society, or any part thereof, to any Amount, in any Savings Bank, or in the Public Funds, or with the Commissioners for the Reduction of the National Debt, as hereinafter mentioned, or in such other Security as the Rule of such Society may direct, not being the Purchase of House or Land (save and except the Purchase of Buildings wherein to hold the Meetings or transact the Business of such Society, as hereinbefore mentioned), and not being the Purchase of Shares in any Joint Stock Company or other Company with or without Charter of Incorporation, and not being personal Security, except in the case of a Member of One full Year's standing at least, and in respect

of a Sum not exceeding One Half the Amount of his Assurance on Life, such Member providing the written Security of himself and Two satisfactory Sureties for Repayment, and in case of such Member's Death before Repayment, the Amount of such Advance, with Interest, may be deducted from the Sum so assured, without Prejudice in the mean time to the Operation of such Security.

XXXIII. Every Friendly Society established under this Act which does not assure the Payment in any Event of a Sum exceeding Two Hundred Pounds, or an Annuity exceeding Thirty Pounds *per Annum*, may pay any Sum of Money not less than Fifty Pounds into the Bank of *England* or *Ireland*, to the Account of the Commissioners for the Reduction of the National Debt, upon the Declaration of the Trustee or of the Trustees, or any Two or more of them, that such Moneys belong exclusively to the said Society; and the Cashier of the Bank of *England* is hereby required to receive all such Moneys, and to place the same to the Account raised in the name of the said Commissioners in the Book of the Bank, named "The Fund for Friendly Societies;" and if such Declaration shall not be true, then and in every such case the Sum of Money so paid in on such Declaration shall be forfeited to the said Commissioners, and shall be applied by them in the Manner directed by any Act or Acts for the time being

Funds may be invested with the Commissioners of the National Debt.

in force relating to Savings Banks with respect to the Account of such Banks: and the Regulation of Receipts, Certificates, or Orders concerning Savings Banks shall be deemed applicable to Moneys paid in as aforesaid under the Authority of this Act, as if the same had been herein repeated; and every such Society, on paying Money directly into the Bank as aforesaid, shall be entitled to receive Receipts bearing Interest at the Rate of Twopence *per Centum per Diem*: Provided, that every Society which shall deposit any Part of its Funds in any Savings Bank, or with the Commissioners for Reduction of the National Debt, shall furnish to the said Commissioners from time to time such Accounts as they may require in reference to the Funds so deposited.

What Interest old Societies shall have.

XXXIV. Every Society already established under any of the Acts hereby repealed, which shall have heretofore invested any Part of its Funds with the Commissioners for the Reduction of the National Debt, shall be entitled to pay into the Bank of *England* or *Ireland*, in Sums of not less than Fifty Pounds, Money received from Members on account of Assurances made before the passing of this Act, and to receive Receipts for the same bearing Interest at such Rate or Rates as such Society has hitherto been entitled to receive on account of such Assurances; that is to say, for Money invested with the Commissioners by any Society legally estab-



lished before the Twenty-eighth Day of *July* in the Year One thousand eight hundred and twenty-eight, on account of any Assurance made before the Fifteenth Day of *August* in the Year One thousand eight hundred and fifty, Threepence *per Centum per Diem*; and on account of any Assurance effected after that day, Twopence *per Centum per Diem*; and for Money invested with the Commissioners by any Society established between the Twenty-eighth day of *July* in the Year One thousand eight hundred and twenty-eight and the Fifteenth Day of *August* in the Year One thousand eight hundred and fifty, on account of Assurances made before the Fifteenth Day of *August* in the Year One thousand eight hundred and fifty, Twopence Halfpenny *per Centum per Diem*; and on account of any Assurance effected after that Day, Twopence *per Centum per Diem*; and for Money invested with the Commissioners by any Society established since the Fifteenth Day of *July* One thousand eight hundred and fifty, the Sum of Twopence *per Centum per Diem*: Provided that the Trustees of every Society which shall have invested or shall invest any part of its Funds with the said Commissioners shall furnish from time to time such Accounts and Returns as the said Commissioners shall require, and shall satisfy the said Commissioners that they are legally entitled to receive such Interest as aforesaid, and to make such further Investment.

Re-deposit-  
ing of Money  
withdrawn.

XXXV. Where any Friendly Society shall withdraw Money invested by them with the Commissioners for the Reduction of the National Debt, such Society shall not be entitled to make any further Deposit with the said Commissioners without the Consent of the said Commissioners, or of the Comptroller General or Assistant Comptroller under them.

Transfer of  
Stock.

XXXVI. Whenever it shall happen that any Person, being or having been a Trustee of any Society established under this Act or any Act hereby repealed, and whether he shall have been appointed before or after the legal Establishment thereof, in whose Name any Part of the several Stocks, Annuities, and Funds belonging to any such Society, transferable at the Bank of *England* or *Ireland*, or in the Books of the Governor and Company of the Bank of *England* or *Ireland*, or in any Savings Bank, is or shall be standing, shall be out of *England* or *Ireland* or *Scotland* respectively, or shall have been removed from his office of Trustee, or shall be a Bankrupt, Insolvent, or Lunatic, or it shall be unknown whether such Trustee is living or dead, it shall be lawful for the Registrar, after receiving an Application in Writing from the Secretary of the Society and Three Members thereof, and upon Proof satisfactory to such Registrar, to direct the Accountant General or other proper Officer for the time being of the said Governor and Company of the Bank of *England* or *Ireland*, or of any Savings

Bank, to transfer in the Books of the said Company or of the said Savings Bank such Stocks, Annuities, or Funds, standing as aforesaid, into the Name of the Trustee who shall be newly appointed, and to pay to him from time to time the Dividends thereof; and if One or Two or more of such Trustees shall die, or be removed from his Office of Trustee, or become Bankrupt or Insolvent, it shall be lawful for the Registrar, on the like Application, to direct that the other or others of the Trustees shall transfer such Stock, Annuities, or Funds into the Name of such Person as may have been appointed in his stead, jointly with the continuing Trustee or Trustees.

XXXVII. No Copy of Rules, nor Power, Warrant, or Letter of Attorney granted by any Person as Trustee of any Society established under this Act or any of the Acts hereby repealed, for the Transfer of any Share in the Public Funds standing in the Name of such Trustee, nor any Order or Receipt for Money contributed to or received from the Funds of any such Society, by any Person liable or entitled to pay or receive the same by virtue of the Rules thereof or of this Act, nor any Bond to be given to or on account of any such Society, or by the Treasurer or any Officer thereof, nor any Draft or Order, nor any Form of Policy, nor any Appointment of any Agent, nor any Certificate or other Instrument for the Revoca-

Power of  
Attorney, &c.  
not liable to  
Stamp Duty.

Limitation of  
Exemptions  
to Societies  
not Assuring  
above £200.

tion of any such Appointment, nor other Document whatever required or authorized by or in pursuance of this Act or the Rules of any Society, shall be liable to Stamp Duty: Provided, that no Exemption from any of the Duties granted by an Act or Acts relating to Stamp Duties shall be deemed to extend to any Society which shall assure the Payment of Money exceeding Two Hundred Pounds, or which shall assure the Payment of any Money on the Death of a Member to any Person, except Executors, Administrators, or Assigns of such Member, or the Husband, Wife, Father, Mother, Child, Brother, Sister, Nephew, or Niece of such Member.

No Member  
to receive  
more than  
£200, or  
£30 a year,  
from any  
number of  
Societies.

XXXVIII. If any Person shall become a Member of more than One Society, whereby certain Benefits shall accrue on account of the same kind of Assurance from more than One Society, it shall not be lawful for him, or for any Person entitled through or under him, or by reason of his Membership, or for any number of such Persons in the aggregate, to receive more than Two Hundred Pounds, or, in the case of Annuities, Thirty Pounds a Year, from such Societies collectively; and in any case where a Person shall so as aforesaid be a Member of more than One Society, and he, or any other Person or Persons, shall be entitled to any Benefit in gross or by way of Annuity from any such Society, he, or (as the circumstances



may require) every such other person, shall, before he shall receive any such Benefit from any of such Societies, make and sign a Declaration that the total Value of all Benefits accruing or which shall have accrued in respect of any One Kind of Assurance does not exceed the Value of Two Hundred Pounds, or, in the case of Annuities, Thirty Pounds a year; and it shall be lawful for any Society to require any Member or any other Person who shall be entitled to any such Benefit, before he shall receive the same, to make and sign a Declaration to the same effect, or that such Member was not, when the Benefit accrued, a Member of any other Association; and if any Person shall knowingly make any false or fraudulent Declaration in any such case, he shall be guilty of Misdemeanour.

XXXIX. The Trustees of any Friendly Society may, out of the Funds thereof, subscribe to any Hospital, Infirmary, Charitable or other Provident Institution, such annual or other Sum as may be agreed upon by the Committee of Management, or by a Majority of the Members at a Meeting called for that purpose, in consideration of any Member of such Society, his Wife, Child, or other Person nominated, being eligible to receive the Benefits of such Hospital or other Institution, according to the Rules thereof.

Trustees may  
subscribe to  
an Hospital  
or Provident  
Institution.

As to the  
Determination of Dis-  
putes ac-  
cording to  
the Rules.

XL. Every Dispute between any Member or Members of any Society established under this Act or any of the Acts hereby repealed, or any Person claiming through or under a Member, or under the Rules of such Society, and the Trustee, Treasurer, or other Officer, or the Committee thereof, shall be decided in manner directed by the Rules of such Society, and the Decision so made shall be binding and conclusive on all Parties, without appeal: Provided that where the Rules of any Society established under any of the Acts hereby repealed shall have directed Disputes to be referred to Justices, such Disputes shall, from and after the First Day of *August*, one thousand eight hundred and fifty-five, be referred to and decided by the County Court as hereinafter mentioned.

In what  
cases by the  
County  
Court.

XLI. In all Friendly Societies established under this Act or any of the said repealed Acts, all Applications for the Removal of any Trustee, or for any other Relief, Order, or Direction, or for the Settlement of Disputes that may arise or may have arisen in any Society, the Rules of which do not prescribe any other mode of settling such Disputes, or to enforce the Decision of any Arbitrators, or to hear or determine any Dispute, if no Arbitrator shall have been appointed, or if no Decision shall be made by the said Arbitrators within Forty Days after application has been made by the Member or Person claiming through or under a

Member or under the Rules of the Society, shall be made to the County Court of the District within which the usual or principal Place of Business of the Society shall be situate; and such Court shall, upon the application of any Person interested in the matter, entertain such application, and give such Relief, and make such Orders and Directions in relation to the Matter of such Application, as hereinafter mentioned, or as may now be given or made by the Court of Chancery in respect either of its ordinary or its special or statutory jurisdiction; and the Decision of such County Court upon and in relation to such application as aforesaid shall not be subject to any Appeal: Provided always, that in *Scotland* the Sheriff within his County, and in *Ireland* the Assistant Barrister within his District, shall have the same Jurisdiction as is hereby given to the Judge of a County Court.

XLII. In all Cases where the Order of such County Court shall be for the payment of Money, the same may be enforced in the same manner as the ordinary Judgments of such Court are enforced; but where the Order of the said Court shall be for the doing of some Act, not being for the Payment of Money, it shall be lawful for the Judge of such County Court in his said Order to order the Party to do such Act, or that in default of his doing it he shall pay a certain Sum of Money; and in

Order of  
County  
Court, how  
enforced.

case he refuse or neglect to do the Act required, upon demand in that behalf, the Sum of Money or Penalty in the said Order may then be recovered in the same manner as a Judgment for Debt or Damages in such Court; and it shall not be lawful to remove the same by Certiorari, or other Writ or Process, to any Superior Court of Record.

Lord Chancellor may make Orders for regulating the Proceedings in this respect.

XLIII. Provided, however, that the Lord Chancellor may make such Orders for regulating the Proceedings by and before the Judges of County Courts under this Act as he may think fit; and in *Scotland* the Court of Session shall have the like Power by Act of Sederunt as regards Proceedings before Sheriffs under this Act; and, subject to such Orders and Acts of Sederunt respectively, such Judges and Sheriffs may regulate the Proceedings before them respectively so as to render them as summary and inexpensive as conveniently may be.

In the case of Societies whose Rules are not certified, Disputes between the Society and its own Members to be settled as in cases of Certified Societies.

XLIV. In the case of any Friendly Society established for any of the purposes mentioned in Section IX. of this Act, or for any purpose which is not illegal, having written or printed Rules, whose Rules have not been certified by the Registrar, provided a Copy of such Rules shall have been deposited with the Registrar, every Dispute between any Member or Members of such Society, and the Trustees, Treasurer, or other Officer, or the Committee of



such Society, shall be decided in manner hereinbefore provided with respect to Disputes; and the Decision thereof, in the case of Societies to be established under this Act, and the Sections of this Act provided for such Decision, and also the Section in this Act which enacts a Punishment in case of Fraud or Imposition by an Officer, Member, or Person, shall be applicable to such uncertified Societies: Provided always, that nothing herein contained shall be construed to confer on any such Society whose Rules shall not have been certified by the Registrar, or any of the Members or Officers of such Society, any of the Powers, Exemptions, or Facilities of this Act, save and except as in and by this Section is expressly provided.

XLV. The Trustees of Friendly Societies established under this Act or under any of the repealed Acts, or the Officer thereof appointed to prepare Returns, shall, once in every year, in the months of *January, February, or March*, transmit to the Registrar a General Statement of the Funds and Effects of such Society during the past twelve months, or a Copy of the last Annual Report of such Society; and shall also, within three months after the expiration of the month of *December*, one thousand eight hundred and fifty-five, and so again within three months after the expiration of every five years succeeding, transmit to the said Registrar a Return of the Rate or Amount of Sick-

Returns to  
the Regis-  
trar, when  
and how to  
be made.

ness and Mortality experienced by such Society within the preceding five years, in such form as shall be prepared by the said Registrar; and an Abstract of the same shall be laid before Parliament; and the Registrar shall also lay before Parliament every year a Report of his proceedings, in his office of Registrar, and of the principal matters transacted by Friendly Societies which have come under his cognizance during the past year.

Certain Societies established for granting Annual Payments to Nominees before the year 1850, to have Privileges of this Act.

XLVI. And whereas under the Provisions of the Acts hereby repealed, or some of them, certain Associations or Societies have been formed in *England* and *Ireland* for the provident and charitable purpose of securing Annual Payments to the Nominees of the Members thereof, contingent upon the Death of such Members, and have invested their Funds in the manner provided by such Acts, and doubts may arise whether such Associations or Societies will be entitled to the Exemptions and Privileges by the Act conferred in the event of such Annual Payments amounting in the aggregate to more than Thirty Pounds; and it is expedient to remove such doubts, and to give protection to such Associations or Societies, and to the Funds thereof: Be it therefore enacted, That notwithstanding anything in this Act contained to the contrary, all such Associations or Societies which were founded and subsisting under the Provisions of the said Acts previously to the Fifteenth day

of *August*, one thousand eight hundred and fifty, shall enjoy the Exemptions and Privileges by this Act conferred on Societies to be established under the Provisions of this Act as fully as if they had been registered and certified under this Act, and notwithstanding that the contingent Annual Payments to which the Nominees of the present or future Members of such Associations or Societies may become entitled shall exceed in the aggregate the sum of Thirty Pounds.

XLVII. In any case where the Rules of any Society already enrolled or certified have provided that a Member shall be deprived of any Benefit by reason of his Enrolment or Service in the Militia, it shall be lawful for the Trustees of such Society to require of any Member a Contribution exceeding the Rate of Contribution hitherto payable by such Member, to an amount not exceeding One Tenth of such Rate, during the time such Member shall be serving out of the United Kingdom, or to suspend all Claim of such Member to any Benefits of such Society, and all Claim of the Society to any Contributions payable by such Member, during the time he may be serving in the Militia out of the United Kingdom, provided that such Suspension shall cease so soon as the said Member shall return to the United Kingdom, and he shall thereupon be replaced on the same footing as before he went abroad with the Regiment to which he belongs.

Extra Contribution may be demanded of a Member serving in the Militia.

Act to apply  
to Societies  
constituted  
under the In-  
dustrial and  
Provident  
Societies  
Act, 1852.

XLVIII. All the Provisions of this Act shall apply to all Societies constituted under the Industrial and Provident Societies Act, 1852, in the same manner as the Laws in force relating to Friendly Societies at the date of the passing of the said Industrial and Provident Societies Act, 1852, are by the said last-mentioned Act directed to apply to Societies constituted thereunder; and the Limitation hereinbefore contained of the amount of Annuities and Sums payable on the Death of any Person, or on any other contingency, in the case of Societies established under this Act, shall apply to all Societies constituted under the said Industrial and Provident Societies Act, 1852.

Interpreta-  
tion of  
"Society."

XLIX. The Word "Society" shall extend to and include every Branch of a Society, by whatever Name it may be designated.

Extension of  
Act.

L. This Act shall extend to *Great Britain* and *Ireland*, and the *Channel Isles*, and the *Isle of Man*.

Commence-  
ment of Act.

LI. This Act shall commence and take effect from the First Day of *August*, one thousand eight hundred and fifty-five.



# SCHEDULES REFERRED TO BY THE FOREGOING ACT.

## FIRST SCHEDULE.

Reference to Act.	Title of Act.	Extent of Repeal.
33 Geo. 3, c. 54....	An Act for the Encouragement and Relief of Friendly Societies.	The whole Act.
35 Geo. 3, c. 111...	An Act for more effectually carrying into execution an Act made in the Thirty-third Year of the Reign of His present Majesty, intituled "An Act for the Encouragement and Relief of Friendly Societies," and for extending so much of the Powers thereof as relates to the framing Rules and Regulations for the better Management of the Funds of such Societies, and the Appointment of Treasurers to other Institutions of a charitable nature.	The whole Act.
36 Geo. 3, c. 68.... (Irish).	An Act for the Encouragement and Relief of Friendly Societies.	The whole Act.

Reference to Act.	Title of Act.	Extent of Repeal.
43 Geo. 3, c. 111...	An Act for enabling Friendly Societies intended to be established under an Act passed in the Thirty-third Year of the Reign of His present Majesty, to rectify Mistakes made in the Registry of their Rules.	The whole Act.
49 Geo. 3, c. 58...	An Act to explain and render more effectual an Act passed in the Parliament of Ireland, in the Thirty-sixth Year of His present Majesty's Reign, for the Encouragement and Relief of Friendly Societies.	The whole Act.
49 Geo. 3, c. 125...	An Act to amend an Act made in the Thirty-third Year of His present Majesty, for the Encouragement and Relief of Friendly Societies.	The whole Act.
59 Geo. 3, c. 128...	An Act for further Protection and Encouragement of Friendly Societies, and for preventing Frauds and Abuses therein.	The whole Act.
6 Geo. 4, c. 74. ...	An Act for consolidating and amending the Laws	So much of Section 11

Reference to Act.	Title of Act.	Extent of Repeal.
	relating to Conveyances and Transfers of Estates and Funds vested in Trustees who are Infants, Idiots, Lunatics, or Trustees of Unsound Mind, or who cannot be compelled or refuse to act; and also the Laws relating to Stocks and Securities belonging to Infants, Idiots, Lunatics, and Persons of Unsound Mind.	as relates to Friendly Societies.
10 Geo. 4, c. 56....	An Act to consolidate and amend the Laws relating to Friendly Societies	The whole Act.
2 Wm. 4, c. 37. ...	An Act to amend an Act of the Tenth Year of His late Majesty King George the Fourth, by extending the time within which pre-existing Societies must conform to the Provisions of that Act.	The whole Act.
4 & 5 Wm. 4, c. 40.	An Act to amend an Act of the Tenth Year of His late Majesty King George the Fourth, to consolidate and amend the Laws relating to Friendly Societies.	The whole Act.
3 & 4 Vict. c. 73...	An Act to explain and amend the Acts rela-	The whole Act.

Reference to Act.	Title of Act.	Extent of Repeal.
	ting to Friendly Societies.	
9 & 10 Vict. c. 27.	An Act to amend the Laws relating to Friendly Societies.	The whole Act.
13 & 14 Vict. c. 115.	An Act to consolidate and amend the Laws relating to Friendly Societies.	The whole Act.
15 & 16 Vict. c. 65.	An Act to continue and amend an Act passed in the Fourteenth Year of the Reign of Her present Majesty, to consolidate and amend the Laws relating to Friendly Societies.	The whole Act.
16 & 17 Vict. c. 123.	An Act to amend the Laws relating to Investments of Friendly Societies.	The whole Act.
17 & 18 Vict. c. 50.	An Act to continue an Act of the Twelfth Year of Her present Majesty, for amending the Laws relating to Savings Banks in Ireland, and to authorize Friendly Societies to invest the whole of their Funds in Savings Banks.	Section 2.
17 & 18 Vict. c. 101.	An Act to continue and amend the Acts now in force relating to Friendly Societies.	The whole Act.



## SECOND SCHEDULE.

FORM OF REGISTRAR'S CERTIFICATE TO RULES OF  
FRIENDLY SOCIETIES.

I HEREBY certify that the foregoing Rules [*or the Alterations or Amendments of the Rules*] of the  
Society at \_\_\_\_\_ in the County of \_\_\_\_\_  
are in conformity with Law [*and in the case of a new Society*],  
and that the Society is duly established from the present Date,  
and is subject to the Provisions and entitled to the Privileges  
of the Acts relating to Friendly Societies.

The Rates of Contributions and Payments are stated to  
have been prepared by *A. B.*, Actuary of  
*or [as the case may be]* are not stated to have been prepared  
by any Actuary.

## THIRD SCHEDULE.

## FORM OF BOND.

KNOW all Men by these Presents, That we, *A. B.*,  
of \_\_\_\_\_ Treasurer, &c. [*as the case may be*], of  
the \_\_\_\_\_ Society, established at  
in the County of \_\_\_\_\_ and *C. D.*, of  
(as Surety on behalf of the said *A. B.*), are jointly and  
severally held and firmly bound to *A. B.*, of  
*C. D.*, of \_\_\_\_\_ and *E. F.*, of  
the Trustees of the said Society, in the Sum of  
to be paid to the said *A. B.*, *C. D.*, and *E. F.*, as such  
Trustees, or their Successors, Trustees for the time being,  
or their certain Attorney, for which Payment well and truly



## No. III.

*An Act to Amend the Act of the Eighteenth and Nineteenth Years of Her present Majesty, Chapter Sixty-three, relating to Friendly Societies.—2nd August, 1858.*

WHEREAS it is expedient to amend an Act passed in the Session holden in the Eighteenth and Nineteenth Years of Her Majesty, Chapter Sixty-three, intituled "An Act to consolidate and amend the Law relating to Friendly Societies," and to provide additional Facilities for carrying the same into effect: Be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same :

18th and 19th  
Vic., cap. 63.

I. In the City of *London* the Judge of the Sheriff's Court, and in *Ireland* the Assistant Barrister within his District, and in the Cities of *Dublin* and *Cork* the Recorder thereof, shall respectively have the same jurisdiction as by the said Act, as amended by this Act, is given to the Judge of a County Court in any matter arising under the said Act, and in *Ireland* a Jus-

Jurisdiction of County Court given to Judge of Sheriff's Court, Assistant Barrister, &c., and section 24 extended to Ireland.

tice of the Peace or two Justices of the Peace, as the case may be, shall have the same jurisdiction as by Section Twenty-four of the said Act is given to a Justice of the Peace or two Justices of the Peace in *England* in any matter arising under the said Section, but the Complaint shall be heard and determined in manner directed by the Act passed in the Fourteenth and Fifteenth Years of Her Majesty, Chapter Ninety-Three.

No Money to be paid on the Death of a Child without a Certificate signed by a Medical Practitioner.

II. The Tenth Section of the said Act shall be repealed, and instead thereof be it enacted :

In any Society in which a sum of Money may be insured, payable on the Death of a Child under the age of Ten Years, for the Funeral Expenses of such Child, it shall not be lawful to pay any sum so insured unless the Person who shall apply for such Payment shall produce a Certificate, signed by a qualified Medical Practitioner, stating the probable Cause of the Death of such Child ; and if any Trustee or Officer of such Society, upon an Insurance of a Sum payable on the Death of any Child under the age of Ten Years, shall knowingly pay a sum which shall raise the whole amount receivable from one or more than one Society for the Funeral Expenses of a Child under the age of Five Years to a sum exceeding Six Pounds, or of a Child between the ages of Five and Ten Years to a sum exceeding Ten Pounds, or shall pay any sum without endorsing the Amount thereof



on the back or at the foot of the Medical Certificate aforesaid, or if any Parent or other Person, who shall apply for such Payment to more than one Society, shall produce to the Trustees or Officers of one Society any other or different Certificate than that which he shall have produced to the Trustees or Officers of any other Society, such Trustee, Officer, Parent, or other Person shall be liable to a Penalty not exceeding Five Pounds for every such act upon conviction before two Justices of the County or Borough in which such Child shall have died : Provided, that if the said Child shall have been attended immediately before its Death by the Medical Officer of any Union, on account of such Union, he shall deliver to the Parents or Friends of the deceased Child, upon their application, a Certificate stating the probable Cause of Death of such Child, and shall not be entitled to receive any Fee for the same ; and if such Child shall not have been attended by such Medical Officer as aforesaid, nor by any qualified Medical Practitioner, the Medical Officer of the Union or Parish in which such Child shall have been resident shall deliver to the Parents or Friends of the deceased Child, upon their application, a Certificate stating the probable Cause of Death of such Child, and shall be entitled to receive from the Parties applying for the same a Fee of One Shilling.

Provisions of  
recited Act  
as to Punish-  
ment of  
Fraud, &c.

said Act shall extend and be applicable to all Institutions and Societies entitled to the Benefit of Section Eleven of the said Act.

Power to  
Society to  
change its  
Name.

IV. Any Friendly Society may, with the approval in writing of the Registrar, change its Name; but no such Change shall affect any Rights or Obligations of the Society or any Member thereof, and any legal proceedings may be continued or commenced by or against the Trustees of the Society, or any Officer or the Committee thereof, by and notwithstanding its new Name.

Disputes to  
be settled by  
Justices, if  
Rules so  
direct.

V. The proviso contained in Section Forty of the said Act shall be repealed, and in lieu thereof be it enacted, That where the Rules of any Society established under the said Act, or any of the Acts thereby repealed, shall direct Disputes to be referred to Justices, then any Justice of the Peace acting in the County or Borough in which the Place of Business of such Society shall be situated, upon complaint made by any Member, his Executors, Administrators, Nominee, or Assigns, or by any Person claiming, under the Rules of the Society, of any matter in dispute between him or them and the Society, to summon the Person against whom such complaint is made to appear at a time and place to be named in such Summons, and any two Justices present at the time and place mentioned in such Summons shall proceed to hear and

determine the said complaint, which complaint shall be heard and determined in *England* in manner directed by the Act passed in the Eleventh and Twelfth Years of Her Majesty, Chapter Forty-three, and in *Ireland* in manner directed by the Act passed in the Fourteenth and Fifteenth of Her Majesty, Chapter Ninety-three; and such Justices may make such Order thereupon, either for the Payment of Money or otherwise, together with Costs, not exceeding Ten Shillings, as they shall think fit; and where the Order made shall be for the doing of some act other than the payment of money, the said Justices may order the payment of a Sum of Money in default of the doing of such act; and any Moneys which shall be paid by any Officer of the Society so levied on his Property under any Order or Warrant of the Justices shall be repaid, with all Damages accruing to him, by the Society: Provided always, that in *Scotland* the Sheriff within his County shall have the same jurisdiction as is hereby given to a Justice or Justices of the Peace.

Justices may  
make Order.

Sheriff in  
Scotland to  
have same  
Jurisdiction  
as Justices.

VI. Sections Forty and Forty-four of the said Act shall extend and be applicable to Disputes between the Executors, Administrators, Nominee, or Assigns of a Member, and the Trustees, Treasurer, or other Officer, or the Committee of a Society.

Sections 40  
and 44 of  
said Act ex-  
tended to  
other dis-  
putes.

VII. In any proceeding under the said recited

An Officer to  
be proceeded

against on  
behalf of a  
Society.

Act or this Act against a Society, it shall be sufficient to make the Secretary or other Officer of the Society, at the time of the plaint or complaint being entered or made, the Defendant in such proceeding, by the name and the title of the Office he holds in the Society; and the proceedings on such plaint or complaint shall be commenced and carried on against such Officer on behalf of the Society, and shall not be abated or prejudiced by the death, resignation, or removal, or by any act of such Officer after the commencement thereof; and the Summons to be issued to such Officer may be served by leaving the same at the usual Place of Business of the Society.

In case of  
Dissolution  
Registrar or  
Actuary may  
divide Funds.

VIII. Instead of its being necessary to state, in the Agreement for the Dissolution of a Friendly Society pursuant to the said recited Act, the intended appropriation or division of the Funds or Property thereof, such appropriation or division may by such Agreement be referred to the award of the Registrar of Friendly Societies, or to the Actuary to the Commissioners for the Reduction of the National Debt, or to an Actuary of some Life Assurance Company established in *London*, *Edinburgh*, or *Dublin*, who shall have exercised the Profession of Actuary for at least Five Years, to be named in the said Agreement; and also, that on the application in writing of not less than one-fourth part of the Members of any

Application  
may be made  
to Registrar



Friendly Society made to the Registrar or Actuary aforesaid, stating that the Funds of the said Society are insufficient to meet the claims thereon, with the grounds thereof, it shall be lawful for the Registrar or Actuary aforesaid to investigate the same, and to determine whether the said Society should continue or be dissolved, and the Funds and Property divided; and if in his opinion the said Society should be dissolved, then to make an award to that effect, and to award, without the requirement of Section Thirteen of the said Act being complied with, in what way the Funds and Property should be appropriated and divided; and that the award of the said Registrar or Actuary, in either of the said cases, shall be final and conclusive on all the Members and other Persons interested in or having any claim on the Funds of the said Society, without appeal, and shall be enforced in the same manner as by Section Forty-one of the said Act is provided for enforcing the decision of Arbitrators; and that the expenses incurred by the said Registrar, or the charges of the said Actuary, shall be paid out of the Funds and Property of the said Society before any appropriation or division thereof shall be made.

or Actuary  
in case of In-  
solvency of  
Society.

IX. This Act and the said recited Act shall be construed as one Act, and may be cited together for all purposes as the "Friendly Societies Acts, 1855 and 1858."

Acts to be  
considered  
as one Act.

## No. IV.

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*Rules for the Government of the Independent Order of Odd  
Fellows, Manchester Unity Friendly Society: proposed  
Supplementary Assurance Association.*

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## RULES AND REGULATIONS.\*

## I.—TITLE.

1. This Society shall be entitled "The Independent Order of Odd Fellows, Manchester Unity Friendly Society, Supplementary Assurance Association," and it shall be optional with any member of the Unity whether he joins the same.

## II.—OBJECTS.

2. The object of this Society is to enable the provident and industrious of both sexes, persons of any profession or

\* These rules were drawn up by a sub-committee of the Manchester Unity executive government, merely to facilitate practical legislation on the subject. Of course, they have not yet, either in detail or in their general character, received the sanction of any legislative body. As they will serve, however, as a basis for further discussion on the subject in the Manchester Unity, and as other societies may feel disposed to progress in a similar direction, it has been suggested that their appearing in the Appendix of the present volume would call general attention to the movement, and expedite the introduction of some such principle among the affiliated bodies.

Trade, to provide for the exigencies of old age by way of Annuity, and for the payment of a sum of money at the death of any person duly entitled in conformity with Sec. 9 of the 18th and 19th Vict., cap. 63; such annuity not to exceed in amount the sum of £30 per annum, nor the assurance exceed the sum of £200, payable at the death of the assurer.

### III.—MANAGEMENT.

3. That the business of this Society, conducted by the Officers of the above-named Order and Board of Directors, shall be carried on at the Odd Fellows' Offices, Grosvenor-street, Chorlton-upon-Medlock, Manchester, in the county of Lancaster; and when the place of business is changed, or a dissolution of the Society takes place, notice thereof shall be sent to the Registrar of Friendly Societies within seven days after such change or dissolution, signed by the Secretary or other principal officer, and also by three other Directors of the Society. That the Board of Directors be empowered to appoint a Sub-committee of their own body for the purpose of examining any claim that may be made during the first and second months after their Quarterly Meetings, who shall have power to make such payments as may be due on account of death; but the claims that may arise in the month previous to the Quarterly Meeting shall be laid before the Directors at such meeting. All amounts due on account of any life insurance to be paid within two months from the claim arising, when the Board of Directors or Sub-Board are satisfied of the same being correct; but the annuities to be paid quarterly by the Board alone.

#### IV.—APPOINTMENT OF TRUSTEES, SECRETARY, AND TREASURER.

4. That at the first meeting of the Officers and Board of Directors, five Trustees, a General Secretary, and Treasurer shall be appointed. Every resolution appointing a Trustee or Trustees shall be signed by such Trustee or Trustees and three Directors of the Society, and countersigned by the Secretary and transmitted to the Registrar of Friendly Societies. The Secretary shall give bond in any amount as the Directors may think advisable.—That the Treasurer of this Society shall be responsible for all sums of money as may from time to time be paid into his hands by the Secretary, or by other persons on account of such Society. He shall when required balance his cash account, and supply the Secretary with a duplicate thereof. Before the Treasurer takes upon himself the duties of his office, he must give security, pursuant to the 18th and 19th Vict., cap. 63, sec. 21, in such a sum as the Directors may think proper.—Any vacancy occurring among the Officers between the Annual Meetings of the Society, whether the same be by resignation, removal by the Board, or from any other cause, such vacancy shall be supplied for the time being by the Board of Directors, and submitted for the Society's approval at their next General Meeting.

#### V.—INVESTMENT OF FUNDS.

5. That so much of the funds of the Society as may not be wanted for immediate use or to meet the usual accruing liabilities, shall, by direction of the Board, be invested by the Trustees in such of the following ways as the Board may think desirable, viz.:—in the Savings Banks, or in the



Public Funds, or with the Commissioners for the Redemption of the National Debt, or upon Government real securities in Great Britain or Ireland, or upon debentures, mortgage, or securities of any Company incorporated by Charter or Act of Parliament, and paying a dividend, or upon the security of any County, Borough, or other rates authorized to be levied and mortgaged by Act of Parliament.

## VI.—SEPARATE FUNDS.

6. That there shall be two separate and distinct funds, viz.:—an Annuity Fund and an Assurance Fund. All moneys collected or received in respect of any of these funds shall be kept separate and distinct, and all claims on the Society in respect of other funds shall be paid out of that fund. In addition to the above funds, a Management Expenses' Fund shall be established, which shall be raised by a deduction of            per cent. on the payments received from contributors, and all fines paid by members, together with any profit on the sale of reports, &c., and any interest received on the Management Expenses' Fund.

## VII.—AUDITORS.

7. That the Auditors appointed by the Independent Order of Odd Fellows, Manchester Unity Friendly Society, shall annually audit the accounts of this Supplementary Fund, and shall receive remuneration at the same rate as paid by the Unity. That should the Auditors pass the accounts without first ascertaining their correctness, they shall be fined the sum of            pounds, without mitigation, and until the same be paid, after proof is made, they shall forfeit all claims they may have have on the Society.

## VIII.—BALANCE SHEET.

8. That a balance sheet, containing the income and expenditure of the Society, shall be published annually in the reports of the Manchester Unity (the Society paying the cost of such publication). The same shall also be published separately and sold to any person or persons interested in any way in the Society, at such price as the Board may from time to time think fit.

## IX.—SETTLEMENT OF DISPUTES.

9. Any member or person claiming on or on account of a member, or under the rules, having cause of complaint, shall present such complaint to the Board of Directors for their decision, the same shall be laid before them at a general or special general meeting, and should their decision be unsatisfactory to the complaining person, he or she shall give notice in writing requesting the same to be referred to arbitration. — At the second meeting of the Board of Directors after these Rules are certified by the Registrar five Arbitrators shall be named and elected from persons residing within a radius of twenty miles from Manchester none of them being directly or individually beneficially interested in the funds of the Society; and in case of dispute the names of the Arbitrators shall be written on pieces of paper and placed in a box or glass, and the three whose names are first drawn out by the complaining party, or by some one appointed by him or her, shall be the Arbitrators to decide the matter in dispute. In case of a vacancy or vacancies, another or others shall be elected by the Board or a General Meeting of the Society.

## X.—AGENCY.

10. That the Directors of the Society shall have power to appoint agents, and to change the same from time to time so as to meet the convenience of its members and to promote the general interests of the Institution.—The agent shall receive the subscriptions of members, and shall within one month of receiving the same forward the amount to the General Secretary, and he shall be paid such an amount of remuneration as the Board may from time to time think proper.

## XI.—DISSOLUTION OF THE SOCIETY.

11. The Institution shall not be dissolved or determined by any resolution passed at any General or Special General Meeting or otherwise, so long as any of the intents and purposes declared in the Rules remain to be carried into effect, except the votes or consent of five-sixths in value of the then existing members of the Society, and also the consent of all persons then receiving or entitled to receive relief from the Society shall be first obtained, such consent being testified by the signatures of the members respectively; and for the purpose of ascertaining the votes of such five-sixths in value, each member shall be entitled to one vote, and an additional vote for every five years that he may have been a member; provided also, that no one member shall have more than five votes in the whole, unless the Society shall be forced to dissolve in conformity with the Friendly Societies' Act of 1858.

## XII.—MEDICAL ADVISERS.

12. That a Medical Adviser or Advisers shall be appointed by the Board who are legal practitioners. Their

services shall be available to the Directors on all matters relating to the medical department of the Institution. They shall examine all persons applying at Manchester or the neighbourhood to be insured against death, and certify as to their eligibility for membership; also to examine all documents, certificates, medical and other reports, and the proposal papers of all persons desirous of effecting assurances upon life, and to advise with the Directors in every such negotiation.

### XIII.—DISTRICT MEDICAL OFFICERS.

13. The District Medical Officers must be qualified medical practitioners, having obtained a legal title to practise as physicians, surgeons, or apothecaries. Their duties shall be to examine all applicants (in their allotted districts) for an assurance of a sum at death, and their remuneration for the same shall be fixed by the Board.

### XIV.—VALUATION AND DIVISION OF PROFITS.

14.—The financial position of this Society shall be ascertained in January, 1865, and every subsequent five years, and any surplus profits after a valuation of the assets and liabilities shall be divided, four-fifths to the assured members, by way of bonus to the amount insured, or by reduction of the annual premium, and one-fifth to the Independent Order of Odd Fellows, Manchester Unity Friendly Society, to be disposed of in such manner as the General Meeting of that Society may decide.

\*

### XV.—BENEFITS.

15. Any member of the Independent Order of Odd Fellows, Manchester Unity Friendly Society, or other persons



not members of the Society, with the approbation of the Board, may contract for a deferred annuity payable to himself after any stipulated age, or on the lives of others; for annuities payable on one life after the decease of another life; for any sum payable on the death of a person insuring; or for any sum payable on the death of another person, providing he has sufficient interest in that life to assure the same. No assurance on any life to exceed £200, nor any annuity of more than £30. In all cases particulars of birth, age, name, and residence of the persons insuring and the lives assured, or the persons contracting for an annuity, will be required, and a declaration verifying the same in cases of annuities signed by the party contracting for the same.

#### XVI.—DISPOSAL OF BENEFITS.

16. Any member wishing to sell his future claim or claims in all or any of the Society's funds may confer with the Directors, who may, if they think proper, purchase such future claim or claims for such sum as shall be mutually agreed upon. An effective release in all cases shall be given to the Society, at the cost of the member so vacating his interest, but no such purchase shall be concluded except the sum to be paid has been approved of by three-fourths of the Directors present at one of their Quarterly or a Special Meeting of all the Board.

#### XVII.—NOMINATION.

17. Any member of this Society shall at any time be at liberty to nominate any person within the required degree of relationship, to receive at his death the amount for which his life has been assured, and he shall at any time



## XX.—INSPECTION OF BOOKS.

20. The accounts, papers, and books of the Society shall be at all reasonable times, subject to the inspection of the Board, or any other member of the Society who may have contributed twelve months, with the consent of the Board ; and the Board shall at any Sub-meeting or Quarterly or Special Meeting have full power and authority to call for and examine any of the accounts, books, or papers of the Society.

## XXI.—INCREASED BENEFITS.

21. Members may at any period increase the amount of their particular benefit or benefits for which they may have assured on admission, but the increased benefit must be paid for, according to their age at the time of the increase being made (their original contribution and benefit remaining the same) ; and in case of an increase of an assurance for a sum at death, a medical certificate as to the present health of the applicant must be produced.—A member who is only assured for one benefit may at any subsequent period add to it any other benefit or benefits, subject to the foregoing condition.

## XXII.—PERIODICAL PAYMENTS.

22. All premiums shall be paid within fifteen days from the time of being due ; any person neglecting to do this shall be allowed another fifteen days by payment of a fine of five per cent. upon the sum due ; and any claim arising within thirty days from the time of the payment being due shall be paid in full, less the usual premium then due, and the fine thereon.

## XXIII.

23. Any person contracting for an assurance at death or annuity after any age in this Society shall be allowed to pass or repass during peace from one part of Europe to another, or to any of the British Colonies or Dependencies, without payment of any additional premium ; and on satisfactory proof at the time of contracting the insurance, the age of the assurer be admitted on the policy.

## XXIV.

24. Moderate rates are charged for special risks, such as contingencies of foreign climate, naval or military service.

## XXV.

25. Policies once granted by the Society will be indisputable, except in case of fraud discovered during the lifetime of the assured ; nor will any policy which has been in force upwards of two years be rendered void by the life failing from suicide, duelling, or the hands of justice.

## XXVI.

26. To render assurances generally available for every possible contingency and use to which they can be applied, every facility will be given for the transfer of policies ; such transfer will be recognized and registered by the company, and forms furnished at a trifling expense.

## XXVII.

27. That no new Rules shall be made, nor any of the Rules herein contained or hereafter to be made, shall be repealed or altered, unless a proposition be first sent to the



Board of Directors on or before the 1st day of November of each year, signed by seven members and countersigned by the Agent as to their interest in the Society; such proposed alteration or amendment shall be laid before the Board in November, circulated in the January Reports of the Manchester Unity, and taken into consideration at the Annual Meeting of the Society.

## No. V.

## FRIENDLY SOCIETIES.\*

SOME alarming facts have recently transpired respecting Friendly Societies, and we consider it our duty to make them known to the parties more immediately interested.

It must be generally understood that the principle of life-insurance depends on a correct calculation of the chances of ill-health and death, and that payments require to be paid corresponding to those chances. Now, it is notorious that in the getting-up and conducting of Friendly Societies too little attention has been paid to this important particular; and the consequence is, that a time comes when the funds of the society are exhausted, leaving nothing whatever to the longest survivors. We are old enough to remember the time when, in our own native town—in the Midland Counties of England—there were not a few small Friendly Societies, each independent of the rest, known as Sick Clubs, &c., and already, we believe, every one of them has ceased to exist. Whether small or large, the sudden extinction of one of these societies is to each individual member a terrible blow. If the member be a young man, or one even in the prime of life, he may not feel it so much; but it is quite otherwise with an old man verging towards the tomb. He may have been a member ever since

\* From "Chambers's Edinburgh Journal," March 26, 1853.

the formation of the society ; he may have never missed his payments ; he may never yet have found, or acknowledged, the necessity of drawing a farthing from its funds. Perhaps he has stinted himself and his family of food or other necessities, gone with a threadbare coat, or deprived himself of his Sunday's dinner, and every little luxury, in order that he might invariably pay his due contribution to the society. That society may have been his idol, his oracle. He may have prided himself more on being an old member of it than on any other earthly thing. He may have recommended it to his neighbours and fellow-workmen year after year, and may have induced many to become members like himself—all through his profound faith in its stability, and his generous and manly desire to make others as well as himself participants in its presumed advantages. Well, one morning he awakes, and his club is dissolved ! The cherished hope of his life is at one rude stroke annihilated. The source whence he thought himself sure of relief in sickness, or some small yet most important weekly aid in his aged decrepitude, is for ever extinct.

Mr. Charles Hardwick has delivered a lecture on the progress, prospects, utility, and especially the precarious financial condition of Friendly Societies. This lecture was delivered some time ago in London, Manchester, Bolton, and other places, and was so well received, and excited so much interest, that he was requested to deliver it in various districts, but he wisely preferred presenting it to the public in a printed form. Three editions have been rapidly called for, and the latest is now before us.\* We propose to give

\* “ Friendly Societies.” By Charles Hardwick. Published by Houlston and Stoneman. The People's Edition.

our readers some idea of the spirit of this remarkable *brochure*, and some examples of the startling revelations it contains. Mr. Hardwick is evidently a man who thoroughly understands the subject; indeed, he is a Past Provincial Grand Master, and member of the Board of Directors of the Independent Order of Odd Fellows, Manchester Unity, the most powerful and extensive of all the unities or affiliated societies. He is at present connected with the Equitable Provident Institution.

Of the names of the various kinds of Friendly Societies, and the probable number of their members, it is not necessary to say anything here. Our only object is to speak of their financial condition. "On this point," proceeds Mr. Hardwick, "I am desirous of clearly showing, from past experience, that a vast majority of the Friendly Societies now in existence—enrolled and unenrolled, certified and uncertified—are, from the inadequacy of their rates, and other causes, not in a position to meet their future engagements, and that speedy reform must take place, or their redemption will become an impracticability, for every year of error immensely increases the difficulty and expense of adjustment. It is impossible that I can analyze the exact situation of each individual society; I will therefore confine my observations to the facts furnished by the Manchester Unity. . . . But I wish most particularly to be understood that I do not, on this account, desire it to be inferred that the Manchester Unity is most in need of improvement." He then explains that the Manchester Unity—of which, be it remembered, he himself is, or very recently was, a leading member and manager—has, within the last ten years, considerably increased the rate of contribution, and lessened the expenditure, besides effecting sundry very valuable and



important alterations and improvements, such as separating the incidental fund from the sick and burial fund, and spending less in mere glaring shows. Nevertheless, he emphatically adds that, as an honest man, he "is compelled to acknowledge that, according to the data furnished by its own experience, the great bulk of this important society will, in a few years, be unable to meet in full the legitimate claims of its members, unless very important changes in its financial constitution be speedily effected."

Authentic returns of the Preston district of the Manchester Unity were examined by Mr. Hardwick, and he hints that he believes many other districts are in a far worse condition. The Preston district, in 1850, "numbered 1,977 members, seventy and six-tenths per cent. of whom were married. Their average age was about thirty-five years; but as the average age will not give the average sickness, on account of the greater rapidity of the increase during the latter portion of life, I classed them under quinquennial, or five-yearly periods, from which, assisted by Mr. H. Ratcliffe, the actuary, I calculated the liabilities according to the experience of the Manchester Unity itself. The reserved fund amounted to nearly £7,000, averaging between £3 and £4 per member. The present value of their total liability is about £60,000; while that of their assets, future subscriptions and reserved fund included, is little more than £36,000, or very nearly £24,000 less than the liability. All the advantages gained by the members who have previously paid for some time into the district, and afterwards left it, are included, inasmuch as the reserved fund has been increased by the sum so paid, and the members who paid it, having left, of course are not included in the liabilities."

Now this society, which is apparently one of the most secure and flourishing, is only one among hundreds equally insecure, or yet more burdened by liabilities. Mr. Neison who is considered one of the very highest authorities on the subject, states that "societies may continue, for thirty or forty years, to meet their engagements, under certain circumstances, and still eventually fail." During the last quarter of a century, several thousands of societies have failed; and let the following example—a solitary one, which has innumerable actual parallels—indicate the probability of how many thousands more will fail. We give it in Mr. Hardwick's own words:—"I will instance the lodge to which I belong. It is generally considered a prosperous one. In 1850, it numbered 195 members—their average age was thirty-three years and three-tenths, and this was still increasing each year. The proportion of married men was below the average of the district, being only sixty-eight and two-tenths per cent. Yet from Mr. Ratcliffe's calculation, from the average experience of the city districts of the Manchester Unity, this fund could only pay 7*s.* 1*d.* in the pound on its liabilities. That is to say, the lodge ought to have been in possession of upwards of £2,400 to enable it, with the existing rate of contribution, to meet the whole of the future liabilities of the present subscribers. Those clubs with older members, and a proportionately less reserved fund, may imagine the precarious position in which they stand."

The main causes why Friendly Societies are generally in such a very precarious state are these: too low a rate of members' subscriptions; erroneously-calculated tables; excessive working expenses, in the shape of too large and too highly paid a staff of officials; foolish expenditure in

feasting, shows, gewgaws, and trumpery paraphernalia, &c. The chief error of all, however, consists in fixing the subscriptions at too small a sum. Many Odd Fellows' Lodges require only an entrance-fee of £2, and a yearly payment of 17s. 4d., in order to insure 10s. weekly in sickness through life, £10 at death, and £5 on the death of a member's wife; while, according to Mr. Neison, to afford these rates, members entering at the age of thirty-two, ought to pay early £2 yearly. Many societies require even smaller sums from their members than the Odd Fellows above alluded to. Sooner or later, insolvency must be their portion. "According to the Manchester Unity tables, to insure the sum of 10s. per week during sickness till the age of seventy, and afterwards an annuity of 2s. 6d. per week, in lieu of sick-pay; £10 at the death of a member, and nothing on the death of a member's wife, a party entering at thirty-five years of age, ought to pay, without initiation-money, the annual sum of £1. 13s. 10d. Yet for an entrance-fee of £4. 10s., and 17s. 4d. per year, the Preston district promises £10 at the death of a member, and £7 on the death of a member's wife; 10s. per week in sickness, should it continue a full year; 5s. per week, should the inability to follow the usual employment continue another year; and 2s. 6d. per week for ever afterwards."

Mr. Neison, Mr. Ansell, and Mr. Ratcliffe have all published valuable calculations on the average amount of sickness; and although they vary slightly, yet they very distinctly agree in showing that all, or nearly all, the Friendly Societies fail to make sufficient allowance in their calculations for the great increase of sickness which old age invariably brings in its train. Mr. Neison reckons the total average amount of sickness from twenty to sixty, to be



sixty weeks three days eleven hours; and between sixty and seventy, to be seventy-seven weeks two days two hours. Some have supposed that the amount of sickness in Scotch societies is much less than in the English; but it is now ascertained, that the reason why the Scotch tables apparently infer a less amount of average sickness, is because "the members of the Scotch clubs were not in the habit of claiming the sick allowance, unless they happened to be in indifferent circumstances at the time of their inability to follow their employment." But the tables referred to date back so far as 1820; and whether the clubs present similar features now, we are not aware.

The following candid remarks of Mr. Hardwick are so good, that we must not omit to quote them:—"It is, however, but just to the members of the old Friendly Societies, after the errors into which they have fallen have been pointed out, in order to the adoption of means for their improvement, that I should give them full credit for the whole of the good they have effected. This, unfortunately has been neglected by many who have thought proper to denounce their errors and imperfections. The cause of these errors has not been want of integrity, but the absence of knowledge. The honest working man is, of course, offended when he sees or hears himself and friends classed amongst the fools, or perhaps the knaves, by parties, some of whose statements he knows to be false, and whose motives he has perhaps some little show of reason to suspect. But the great mischief is, that when uneducated men discover that their case is made out to be worse than they know it really to be, they at once denounce the whole of the assertions of the party as false and slanderous; and thus the communication of much information, which might really



have been well worthy of their serious attention, is productive of no beneficial result, but engenders perhaps fierce and bigoted opposition."

Every one who has an interest, either direct or indirect, in any description of Friendly Society, should by all means procure and study Mr. Hardwick's lecture. We sincerely believe it to be written in a right spirit, with an honest desire to uplift a warning voice to the existing societies, and to point out the rocks on which so many of them have already split, and on which it is very greatly to be feared that still more of them will hereafter be wrecked. Benefit Societies which are not based on sure statistics of health and sickness among an average number of individuals, are mere lotteries, or, at any rate, wild speculations, and their failure, sooner or later, is a matter of absolute certainty. As a general rule, the smaller the society, the greater its working expenses must be in proportion to the number of members, and the higher ought the annual payments to be, in order to meet the inevitable outlay. Until a thorough reform is instituted in the constitutions of existing societies, we do not see what possible guarantee an industrious man has that he is not building his house on the sand when he enters them. One would naturally presume that the oldest existing societies—those which have stood the test of forty or fifty years, and have hitherto consistently sustained their credit, and met every call upon them—are the safest; but, nevertheless, we would urgently advise all who contemplate becoming members, to make some previous inquiry into their rules, and test these rules by the data and opinions furnished by eminent actuaries. We do not profess to have any intimate personal knowledge of the practical working of Friendly Societies; and even if we did,

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we should shrink from the responsibility of giving our working friends advice to join any particular society in preference to another. All we say is, beware of rash confidence in *any* society, either single or amalgamated. We also think it would be well if the Legislature set afoot some systematic inquiry into the condition of the great mass of Friendly Societies, and laid down some simple, easily-understood tests, whereby the security of any society, either established or projected, might be judged of with a degree of certainty by the intending member. Surely the interests at stake are enough to justify, and indeed call for, such a step on the part of Government.

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